

Fundamental Service Review Addendum-Summary of Outreach

Since the initial outreach summary was completed on September 18, 2008, the following items have also occurred to enhance communications with both the public and the employees.

Employee Communications

Newsletters: The fall edition of *City Team*, the employees' quarterly newsletter, was sent out on September 19. It contained two stories about the fundamental review of services. One story was a recap and overview of the effort to that date. The other explains the city's logic in pursuing a move into a new City Hall in light of the economic picture. The article, entitled "If Money Is Tight, Why A New City Hall," illustrates that such a move could actually help the city's financial picture since the city would lease the space, not purchase it outright. Please see the appendix.

On September 30, the monthly newsletter from the city manager was sent to all employees. Its first story was about the fundamental review of services, and pointed out that the full report could be viewed by employees on the intranet, Inside CLV. Please see the appendix.

Budget Bulletins: In an effort to keep City Council members and the employees updated on the city financial picture, a series of "budget bulletins" were produced. They were e-mailed to the council and other key staff and also posted on the city's intranet site, Inside CLV, under a special section called "Budget Update."

On September 26, City Manager Doug Selby sent an updated budget bulletin concerning the fundamental service review. It was posted to the intranet on Monday, September 29. Please see the appendix.

Additional Employee Communication: The week of September 22 City Manager Doug Selby sent two communications related to the fundamental service review to all employees. On September 23, he basically outlined what is found in the full report in an e-mail. He also told the employees that the full report would be posted on the intranet, Inside CLV. Please see the appendix.

Then on September 25 another e-mail was sent notifying all employees that the full report on the fundamental service review, along with the companion studies, had been posted to the city's intranet site, Inside CLV. A link was also provided indicating where the report could be accessed. Please see the appendix.

Focus Groups: Human Resources set up four focus groups with a cross section of city employees for an in-depth discussion of the budget and employee concerns and ideas. Employees were asked for input concerning the fundamental service review and ways the city could be more efficient. They could also discuss any worries they might have related to the process. Selected at random with the help of a random number generator, 118 city employees were tapped to take part. These meetings were approximately two hours in length and were to

Submitted at City Council

Date 10/6/08 **Item #** 4

involve about 30 employees in each group. Attendance was optional, but departments were asked to relieve selected employees of their normal duties to allow attendance at the meetings. Of course our desire was to hear suggestions from employees on how our organization can save money but maintain a high level of service. The focus panels met on the following dates:

1. September 18, 9:00 a.m. to 11:00 a.m.
2. September 22, 1:30 p.m. to 3:30 p.m.
3. September 24, 1:00 p.m. to 3:00 p.m.
4. September 26, 9:00 a.m. to 11:00 a.m.

Attendance at the focus groups was light with only 30 employees of the 118 invited taking part. That amounts to approximately a 25% attendance. Even so, many ideas were discussed and catalogued. Some of those ideas had already been considered, but others have merit and are being analyzed.

Meet the Manager Meetings: The fundamental service review process was a main focus in the last round of Meet the Manager meetings. City Manager Doug Selby and Finance and Business Services Director Mark Vincent presented a PowerPoint presentation on the city's budget situation and the need for the fundamental service review process. Employees were free to ask questions during these meetings. Mark also made himself available for staff meetings throughout the city. The final two meetings with employees were held on September 22 and 30, both at City Hall.

Internal Briefings: The week of September 22 and September 29, City Manager Doug Selby conducted briefings with the City Council members and the leaders of the bargaining units. All were provided copies of the full report.

The city manager also communicated by letter to the leaders of the bargaining units, explaining where each of the others might be willing to help reduce the city's rising cost of labor.

Communications To The Public

Media: Mayor Oscar B. Goodman, City Manager Doug Selby, Deputy City Manager Betsy Fretwell, Finance and Business Services Director Mark Vincent, Deputy Finance and Business Services Director Candace Falder, and Communications Director David Rigglesman took part in editorial boards. One was with the *Las Vegas Review-Journal*, the other with the *Las Vegas Sun*.

Editorial staff and the city beat reporters from the two major newspapers were provided the full fundamental service review report. The city representatives gave an overview of the city's financial picture, discussed the fundamental service review process, and outlined some possible options for the City Council on October 6. They also answered a number of questions from the newspaper staff. The discussions resulted in a story appearing in the R-J on September 27, and the *Sun* on October 1. Please see the appendix.

A news release will be sent out in advance of the October 6 special City Council meeting to explain the need for the meeting and what will be discussed.

CITYTEAM

The City of Las Vegas Employee Newsletter

FALL 2008



CORPORATE CHALLENGE ISSUE

NAMES AND
PHOTOS OF THE 2007
CORPORATE CHALLENGE
PARTICIPANTS APPEAR
THROUGHOUT THE ISSUE.



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Work Continues On City's Fundamental Service Review

The effort known as the fundamental service review (FSR) is nearly complete. The goal is to provide the City Council details of the plan at a special meeting at the Charleston Heights Art Center on October 6.

During the last budget workshop in the spring, members of the council directed staff to take a hard look at city services and the way the city "does business." Due to the downturn in the economy, our organization is looking at a budget shortfall of up to \$30 million. The FSR was undertaken to help determine what can and should be done to make up for this decline in revenue, while at the same time

recognizing that our costs of labor and operation continue to climb.

Employees at all levels have contributed suggestions on how best to proceed. The Idea\$ For Dollar\$ program also was tied into the FSR to help generate viable ways of improving our efficiency. Human Resources also organized focus groups with employees.

"If one were to select a model for quality large city financial management and oversight, you would be hard pressed to find a more solid example than the city of Las Vegas."

-William Kirchhoff

Dr. Barbara Jackson led this effort from the beginning, working with our consultant William Kirchhoff. A former city

manager, Kirchhoff has praised the city of Las Vegas saying, "If one were to select a model for quality large city financial management and oversight, you would be hard pressed to find a more solid example than the city of Las Vegas. Only a handful of major cities in the United States have positioned themselves as favorably as the city of Las Vegas in terms of not only being able to ride out a devastating economic downswing, but also be in the ready position when the economy rebounds."

As we get closer to the October 6 special council meeting, your director will be able to share more of the FSR specifics and what options will be presented to the City Council. **CT**

If Money Is Tight, Why A New City Hall?

With the downturn in the economy, a tight city budget and the need to undertake the fundamental service review (FSR), it may not seem the best time to look at building a new City Hall. However, difficult times require innovative solutions, and that is precisely why the city is moving ahead with its City Hall plans.

The approach is far different from our traditional way of building facilities, and will actually cost the city very little for the first several years of the project. At the same time, the city will help to create a significant "economic shot in the arm" for downtown.

The reason the move makes great economic sense is because the city has entered into a lease arrangement with a private enterprise called LiveWork/Forest City. These private developers are creating a five-block project known as Civic Center Commons. It will include office buildings, stores, restaurants, an intermodal transportation hub and

a new City Hall, all running along the First Street corridor near the old Queen of Hearts site.

As part of this plan, LiveWork/Forest City will also build a hotel-casino in Union Park. Of course, once the city moves into a new City Hall, the current 12-acre campus could be sold. All of these moves, coupled with our other redevelopment plans around the present City Hall, could result in over 13,000 new (and permanent) jobs and more than \$4 billion in private investment.

At the same time, a very attractive part of this package is that the city will pay only \$2 million dollars annually for the first five years of the Civic Center Commons development. Economists predict the downturn will be over by then and our local economy will be on the mend.

It may seem counterintuitive, but the city believes that moving forward now actually makes the best economic sense. **CT**

DOUG SELBY

Volume V, September 2008

FUNDAMENTAL REVIEW

By now hopefully you have all had a chance to view the entire Fundamental Service Review (FSR) report and companion studies that have been posted on the city's Intranet site. If you have not I encourage you to review the materials so that you may better understand the city's current financial condition and the difficult decisions that are ahead as we grapple with a revenue shortfall of up to \$30 million in Fiscal Year 2010 and up to \$150 million over the next five years.

The city cannot run a deficit budget and change will have to occur to keep the organization solvent. As you will see from reviewing the materials, it is possible that about 83 fulltime positions will be impacted prior to July 1, 2009, of which about half are currently vacant due to our restrictions on filling vacant positions. Every one of our coworkers in the city of Las Vegas is important to me and having to face the reality of reducing our workforce through involuntary layoffs is a painful, but necessary part of the solution. If the economy fails to turn around over the next few years and our budget strategy fails to slow growth in our operating costs, the city will be forced to make additional cuts in the next two to five years. Once again, this would mostly likely be a combination of staff reductions and program cuts. Department directors have been asked to meet with their employees to discuss the FSR and the possibility of staffing cuts so that you don't hear about it through the grapevine. Our Human Resources Department is preparing to give potentially impacted employees as much support as possible through this difficult time including out placement assistance.

The FSR was undertaken to determine what should be done to make up for the declining revenues. Each department director was asked to submit recommendations for addressing the shortfall, and these recommendations along with additional ideas have been analyzed by the FSR team and me. What started as 260 recommendations has been reduced to about 100 recommendations. On October 6, the City Council will meet at Charleston Heights Arts Center to provide direction for reducing the city's operating costs. In anticipation of that meeting, we have briefed City Council members and labor leaders on the results of the work to date, including specific actions that can be taken to reduce our general fund operating costs. Until that workshop the information we are sharing is subject to further refinement, which could affect the final budget strategy. Of course, the council will decide the course of action the city ultimately takes.

Throughout the FSR we kept our focus on maintaining critical services, preserving jobs and maintaining a stable financial base of operations. Still, the economy in Southern Nevada is strained, and declining revenues coupled with increasing operational costs mean

SUSTAINABLE STRATEGY

The city is continuing its efforts to build a more sustainable community. At the Sept. 3 City Council meeting, the council adopted a strategy to help build a more sustainable community by investing in long-term strategies to conserve energy and increase energy from renewable resources. By adopting the strategy the city can help boost tourism, encourage "green industry" job growth, slow the rising cost of energy and help protect our nation from dependence on foreign oil.

There are three components to the strategy: city operations; city codes and policies; and community involvement.

City Operations: Goals include, but are not limited to, working to reduce the city's carbon footprint by 10 percent in 2011, 20 percent by 2020, and 30 percent by 2030. Also, to reduce the city's electricity use by 5 percent per unit by 2011.

City Codes, Regulations and Policies: Goals include, but are not limited to, adopting an energy code that is 30 percent more efficient than the current code by 2011. Also, to work with the Green Building Council to revise the Green Building Program to include more mandates and incentives.

Community Involvement: Goals include, but are not limited to, having a fully implemented residential solar rebate program by 2009. Also, to provide incentives for residents to take part in home energy audits by 2009.

Despite Las Vegas' reputation as a city of excess, the reality is our community is a leader in protecting the environment and sustainability. Las Vegas was named the American City of the Year by the World Leadership Forum in London in December 2007, largely because of its commitment to alternative fuels and sustainability in projects like the Centennial Hills Master-Planned Campus. Sustainability is one of the city's main initiatives. The city defines sustainability as meeting the needs of the present without compromising the needs of future generations.

the city will have to consider cutting some programs and making some staff reductions.

I know the outcome of the workshop is important to all city employees and we will share the results with you immediately after the meeting, but if you would like to attend the special City Council meeting on October 6, please make arrangements with your supervisor. You will need to fill out a leave slip and take the time as vacation (or other time off that you may be eligible for). Consistent with our past practice for special topic council sessions, I feel it is important to hold the meeting "off site" to create more of a workshop setting.

If you have any questions after you have reviewed the report, please e-mail Dr. Barbara Jackson, FSR Project Manager, at bjackson@lasvegasnevada.gov



From: Doug Selby

Sent: Friday, September 26, 2008 3:22 PM

To: City Council, All Staff; Tommy Ricketts; Dean Fletcher; 'ccollins@lvppa.com'; Mark Bunnell

Subject: Budget Bulletin for the week of Sept 29

Council members,

In an effort to keep you up to date on the current budget situation and its impacts on operations, here is the next budget update for this week.

Fundamental Service Review:

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Department Updates:

Department of Information Technologies:

The department has added a new self service password feature so that employees using Oracle who have forgotten their password can obtain a new password via the e-mail system. The department has also begun the first phase of the rollout of a self service password program for Windows that will allow employees to reset their passwords.

Impact: Password resets account for 13 percent of IT Service Desk requests. The implementation of these two programs will reduce the burden on the IT support personnel and enhance the end user's computing experience.

Expected savings: This new system will allow us to save an estimated labor cost of \$2,750 per month or \$33,000 annually.

Municipal Court:

During the last fiscal year, defendants sentenced by the Las Vegas Municipal Court to community service and/or the Work Program, performed 106,823.6 work hours of labor at city work sites.

Here is the U.S. Municipalities Financial Report for the Week of September 15-22, 2008:

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Columbus, OH

The state agency that administers programs for poor and low-income families is cutting almost \$80 million from its budget, including millions of dollars for a welfare program.

Records obtained Wednesday by The Associated Press show the Ohio Department of Job and Family Services also is cutting back on funding for adoption services, money to detect Medicaid fraud and funds to administer the state's child support program.

In many cases the money being cut goes to county agencies that manage programs for Ohio citizens. It will be up to the counties to decide how to rework their local budgets to deal with the loss of state dollars, which could lead to cuts in services.

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Nassau, NY

Putting together a county budget right now is a lot like trying to play chess on the deck of a small yacht tossed by a ferocious storm. You don't know when the waves are going to calm down, but they're really making it tough to keep your puny pawns from falling off the board.

Right in the middle of this storm, Nassau County Executive Tom Suozzi and Suffolk County Executive Steve Levy are rolling out their 2009 budgets. In many ways the budgets can't be compared, and in at least one way, certainly, they're starkly different: Suozzi proposes a tax increase. Levy does not. But for both, this is only the beginning of the process. A lot can happen between now and final adoption of the budgets. The two county legislatures will try to reshape them, and as that's going on, the effects of the Wall Street calamity might become clearer.

For Suozzi, next year's budget is a shoulda-woulda-coulda moment. He is proposing a 3.9 increase in taxes to balance a proposed \$2.6-billion budget. This is the first hike in the tax rate for Nassau property owners since Suozzi's dramatic 19 percent hike in 2003, which put the county on solid financial footing.

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Baltimore, MD

What has local leaders trembling is the possibility that Gov. Martin O'Malley might try to shift the \$622 million cost of teachers' pensions from the state to local governments in response to a projected \$432 million budget shortfall this fiscal year.

In Baltimore, the resulting \$60.8 million hit would be a harsh blow to the budget, officials say.

In Baltimore County, the shift would deal a \$78 million blow to the budget of County Executive James T. Smith Jr., said spokesman Donald I. Mohler III.

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Gov. M. Jodi Rell says the state's revenue picture is ugly, and some tough budget cuts will be necessary in the coming months.

Rell's budget office estimated Monday that the state's budget deficit for the current fiscal year will be about \$300 million, more than double previous estimates. Rell said much of that projected red ink is due to falling state revenues, especially from the income and sales taxes and the state's share of the slot machine take at Connecticut's tribal casinos.

"There are going to be some very difficult choices that have to be made," Rell said. "There will be some proposals that are going to be difficult."

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Tavares, FL

City Council members approved a final tax rate for 2009 this week when they officially adopted the city budget for next year.

They set the tax rate at \$6.25 for every \$1,000 of taxable value, which is lower than the tentative tax rate of \$6.50 per \$1,000 that the council adopted at its first public hearing Sept. 3.

The council also approved the 2009 budget, adding a potential increase of \$181,097 in the general fund for an employee merit program. Council members adjusted the budget to allow for the possible 4 percent increase in employee salaries depending on performance.

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The town's revised budget proposal contemplates closing the firehouse on Prospect Avenue to save money, and that triggered a leaflet campaign over the weekend by the firefighters' union.

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Allentown, PA

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Payroll increases totaled \$140,094 for nine departments that presented budget proposals Tuesday -- controller, clerk of courts, treasurer, sheriff, prothonotary, recorder of deeds, register of wills, coroner and district attorney.

Officials have asked those departments to scale back travel requests and said the amount allocated for the district attorney's office -- \$15,000, even though less than a third of that was used this year -- seems a bit "out of whack."

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Brookhaven, CT

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The measures, approved unanimously, are expected to save about \$5.1 million by freezing some 70 open positions and cutting approximately \$3.4 million in discretionary spending.

The Republican-controlled board faulted Supervisor Brian X. Foley, a Democrat, for proposing last year what they called a "bloated" budget. Some Republicans, who were in the minority last year, said the drop in revenues would not have hurt as much if the town had not approved a \$176-million budget, up from \$172 million in 2007.

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A massive, locally funded public works project aimed at easing traffic congestion and improving county facilities was at the center of a proposed \$462.6 million budget that DuPage County Board Chairman Robert Schillerstrom presented to the board Tuesday. In the 2009 budget, which must be approved by the board, Schillerstrom proposed setting aside \$12 million as a debt service payment for a five-year, \$220-million capital project dubbed DuPage 2013. The county would pay for the program by issuing bonds, and it would create 5,500 jobs and be an economic stimulus for the region, Schillerstrom promised.

DuPage 2013 would put \$157 million toward road construction projects such as adding lanes to 75th Street and an interchange at Eola Road and the Reagan Memorial Tollway (Interstate Highway 88). The program also calls for the construction of new bike trails and \$31 million worth of improvements to the county complex, convalescent center and jail.

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Sacramento, CA

Gov. Arnold Schwarzenegger made an extraordinary pledge Tuesday to veto the state budget because he said the long-overdue spending plan lawmakers approved hours earlier lacked long-term fiscal reforms and would burden taxpayers.

State lawmakers refused to back down, saying they were prepared to override Schwarzenegger's pending veto. The bill was expected to be delivered to the governor's desk Wednesday morning and vetoed as soon as that day. The Assembly and Senate are likely to convene Thursday.

The budget stalemate has forced the state to delay billions of dollars in payments to schools, medical clinics, daycare centers and state vendors. Lawmakers finally cobbled together a patchwork spending plan on the 78th day after the start of the fiscal year, passing a \$143 billion budget shortly after 2 a.m. Tuesday.

According to The Hartford Courant.com:

Hartford, CT

To dig out of a multimillion-dollar deficit, Hartford leaders are considering cutting 20 percent of the city's workforce — exempting public safety staff — by fall.

In a draft report circulated at city hall Tuesday, officials contemplate offering employees who choose to leave voluntarily up to three years of free health insurance or \$3,000 a year for three years. The offer would not apply to library or board of education employees.

Earlier this month, Mayor Eddie A. Perez announced that the city's budget was in trouble. It was \$6 million in the red last year, it could be \$8 million in the hole this year and nearly \$43 million in the red next year.

Douglas Selby
City Manager
City of Las Vegas

Selected as American City of the Year by the World Leadership Forum

David Riggleman

From: Jill Czerwinski
Sent: Monday, September 29, 2008 2:55 PM
To: David Riggleman
Cc: Joseph Marcella; Bonnie Cohen; Brent Merkley; Diana Paul; Gregory Duncan; Heather Curry; Jace Radke; Randy Jones; Rolando Matta
Subject: RE: Budget Bulletin for the week of Sept 29

David,

This email is to notify you that your **InsideCLV Request** has been processed and is now published.

Thank you.

From: David Riggleman
Sent: Monday, September 29, 2008 2:46 PM
To: Web Update
Cc: Jill Czerwinski; Gregory Duncan; Joseph Marcella
Subject: FW: Budget Bulletin for the week of Sept 29

Hi, all. Will you please post the latest Budget Bulletin below to the Budget Update section of the intranet, Inside CLV. Thanks so much.

David Riggleman
Communications Director
City of Las Vegas
American City of the Year*

*The city of Las Vegas received the World Leadership Award for American City of the Year, in addition to awards for the Centennial Hills Master Planned Campus and the Alternative Fuels Program. More than 400 cities across the world presented projects in a wide range of activities, highlighting the very best in modern city leadership. The awards are given to cities whose leaders have shown exceptional imagination, foresight or resilience in a number of key fields – especially cities that have reversed trends, shaken off traditional images and acted as an example and inspiration to others.

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Gov. Arnold Schwarzenegger made an extraordinary pledge Tuesday to veto the state budget because he said the long-overdue spending plan lawmakers approved hours earlier lacked long-term fiscal reforms and would burden taxpayers.

State lawmakers refused to back down, saying they were prepared to override Schwarzenegger's pending veto. The bill was expected to be delivered to the governor's desk Wednesday morning and vetoed as soon as that day. The Assembly and Senate are likely to convene Thursday.

The budget stalemate has forced the state to delay billions of dollars in payments to schools, medical clinics, daycare centers and state vendors. Lawmakers finally cobbled together a patchwork spending plan on the 78th day after the start of the fiscal year, passing a \$143 billion budget shortly after 2 a.m. Tuesday.

According to The Hartford Courant.com:

Hartford, CT

To dig out of a multimillion-dollar deficit, Hartford leaders are considering cutting 20 percent of the city's workforce — exempting public safety staff — by fall.

In a draft report circulated at city hall Tuesday, officials contemplate offering employees who choose to leave voluntarily up to three years of free health insurance or \$3,000 a year for three years. The offer would not apply to library or board of education employees. Earlier this month, Mayor Eddie A. Perez announced that the city's budget was in trouble. It was \$6 million in the red last year, it could be \$8 million in the hole this year and nearly \$43 million in the red next year.

Douglas Selby
City Manager
City of Las Vegas
Selected as American City of the Year by the World Leadership Forum

David Riggelman

From: Doug Selby
Sent: Tuesday, September 23, 2008 5:37 PM
To: All Exchange Users
Subject: Update on Fundamental Service Review

The Fundamental Service Review (FSR) is nearly complete. This week we are briefing City Council members and labor leaders on the results of the work to date, including specific actions that can be taken to reduce our general fund operating costs. The city is facing a revenue shortfall of up to \$30 million in Fiscal Year 2010 and up to \$150 million over the next five years. Doing nothing or "business as usual" is not an option. The city cannot run a deficit budget and change will have to occur to keep the organization solvent.

The FSR was undertaken to determine what should be done to make up for the declining revenues. Each department director was asked to submit recommendations for addressing the shortfall, and these recommendations along with additional ideas have been analyzed by the FSR team and me. What started as 260 recommendations has been reduced to about 100 recommendations. On October 6, the City Council will meet at Charleston Heights Arts Center to provide direction for reducing the city's operating costs. Until that workshop the information we are sharing is subject to further refinement which could affect the final budget strategy. Of course, the council will decide the course of action the city ultimately takes.

Throughout the FSR we kept our focus on maintaining critical services, preserving jobs and maintaining a stable financial base of operations. Still, the economy in Southern Nevada is strained, and declining revenues coupled with increasing operational costs mean the city will have little choice but to cut some programs and make some staff reductions. It is possible that 83 fulltime positions will be impacted prior to July 1, 2009, of which about half are currently vacant due to our restrictions on filling vacant positions. Every one of our coworkers in the city of Las Vegas is important to me and having to face the reality of reducing our workforce through involuntary layoffs is a painful, but necessary part of the solution. If the economy fails to turn around over the next few years and our budget strategy fails to slow growth in our operating costs, the city will be forced to make additional cuts in the next two to five years. Once again, this would mostly likely be a combination of staff reductions and program cuts. Department directors have been asked to meet with their employees this week to discuss the FSR and the possibility of staffing cuts so that employees don't hear about it through the grapevine. Our Human Resources Department is preparing to give potentially impacted employees as much support as possible through this difficult time including job placement assistance.

In an effort to provide you with all of the details of the FSR, we will post the entire report and companion studies on the city's Budget Update Intranet page early next week. If you have any and questions after you have reviewed the report, please e-mail Dr. Barbara Jackson, FSR Project Manager, at bjackson@lasvegasnevada.gov

Douglas Selby
City Manager
City of Las Vegas
Selected as American City of the Year by the World Leadership Forum

David Riggelman

From: Gwen Barnes on behalf of Doug Selby
sent: Thursday, September 25, 2008 3:32 PM
to: All Exchange Users
Subject: Report - Fundamental Service Review

As I mentioned to you in my Tuesday e-mail, we are making the entire report concerning the fundamental service review available to the employees. This information will include some companion studies that were done during the process. If you take some time to look through this report, I think you'll have a clearer picture of what we've done in preparation for the October 6 City Council meeting. You'll also have a keener sense as to how the process worked overall. As you'll see, this was a very thorough effort.

As was done throughout the fundamental service review, we have tried to be as open with the employees as possible. That is why we want to make the report available to you. I think you'll also see that we attempted to engage all the employees in this extensive process at various stages.

I know much of what you will see in the report is sobering. The reality is that our organization has been impacted by the downturn in the economy, and we are looking at significant budget shortfalls. As I mentioned to you in earlier communications, "business as usual" is not an option. By working together I'm confident we can get through this tough time and preserve as many services and jobs as possible. Please know that has been my intent all along.

The full fundamental service review report and companion studies can be found on the Budget Update page on the Intranet, Inside CLV at: <http://insideclv/2270.htm>. Questions can be referred to Dr. Barbara Jackson, FSR Project Manager, at bjackson@lasvegasnevada.gov

Douglas Selby
City Manager

Sep. 27, 2008
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CITY FINANCES: LV officials examine labor costs

Without adjustments to scheduled raises, staff reduction possible

By ALAN CHOATE
REVIEW-JOURNAL

City officials want to slash labor costs by \$65 million over the next five years in order to stave off financial woes, and seek the cooperation of unions that represent city employees.

The reduction, combined with other measures outlined in a new city report -- including as many as 46 layoffs -- would keep Las Vegas from draining its reserves during an economic downturn that's expected to last at least two more years.

To get there, though, employees would have to first agree to revisit their contracts, and then agree to a 50 percent reduction in the annual "step increases" to their pay.

Officials propose reducing the 5 percent step increases to 2.5 percent. Along with annual cost-of-living raises of 3 percent, this would bring annual raises to 5.5 percent, down from 8 percent.

City officials warned of dire consequences and deeper cuts without the concessions.

"Absent that, my only option as the city manager is to reduce the size of the work force," said City Manager Doug Selby. "We'd have to do it pretty dramatically in order to balance the budget."

Said Mayor Oscar Goodman: "We want to work this out -- or there'll be casualties."

The city's largest union, the Las Vegas City Employees Association, is willing to meet with city leaders but expects all employees to come to the table as well.

"It could be all together at once. It may be better to have a series of meetings," said the union's general counsel, Bruce Snyder. "We are willing to be team players, and if something needs to be done, we will cooperate if possible."

He also said, "There needs to be some quid pro quo," perhaps in the form of job security. There could be meetings as soon as next week, although he stressed that the situation is fluid and the union only received the latest report Thursday.

"We have to see where this leads," Snyder said. "We'll keep an open mind."

Dean Fletcher, the president of the Las Vegas firefighters union, declined to discuss his group's outlook, saying that "we start negotiations next year" when contract talks already were due to start on Feb. 1.

He also complained that the city isn't examining changes to the Las Vegas police department's contract. The city's share of police expenses is about \$140 million, and 80 percent of the department's budget is labor costs.

"They want us to give up and make concessions, but they don't ask Metro to make concessions," Fletcher said. "Does that make sense?"

Selby agreed: "A similar change to their compensation would be desirable," he wrote in an e-mail. "However, the city is not in control of the department's labor negotiations."

The latest report will be presented to the City Council Oct. 6. It actually contains some positive news about the city's finances, even though the overall outlook shows potential budget shortfalls for the immediate future.

A consultant who examined city's operations found them to be "by the book" and said that "only a handful of cities in the United States have positioned themselves as favorably as the city of Las Vegas."

But "a perfect storm of economic conditions" has exposed the city's "Achilles heel" -- an "extremely generous employee compensation package."

For example, in 2007, the average wage for a Nevada worker was \$42,000, according to data from Kirchhoff and Associates, the consultant working with the city.

The average Nevada state and local government wage was \$46,000, but the city of Las Vegas' average was \$76,000.

From 2003 to 2009, city revenues grew by 6.6 percent, while expenses for compensation grew 7.2 percent.

Las Vegas' explosive growth has made it possible to keep up with increasing labor costs until now, the report says. But even when the economy unsours, the city can't count on comparable growth in the future, which means the city must control spending or find a way to raise taxes and fees.

"The tax base is simply not large enough to carry the wages and benefits provided to its employees," the Kirchhoff report says.

"The city can no longer compensate its custodians almost double what the market is, nor can it continue to pay its bus drivers \$10 to \$12 more per hour than does the Regional Transportation Commission."

In addition to the union negotiations, the city has identified \$11 million in potential savings through consolidation, cutting non-personnel expenses, and eliminating 83 full-time and five part-time positions.

Forty-two of those positions are vacant, said city spokesman David Riggleman. The other 46 would be layoffs if the City Council chooses that course.

Contact reporter Alan Choate at achoate@reviewjournal.com or 702-229-6435.

Find this article at:

<http://www.lvrj.com/news/29835654.html>



FUNDAMENTAL SERVICE REVIEW

Date 10/6/08 Item 74

Council

Fundamental Service Revenue Project

Kirchhoff & Associates Report

Consulting Team

Budget Retrenchment Experience

Position Experience

- City Manager (6 cities)

Economic Downturn Experience

- Midwest (70's)
 - Rocky Mountains & Texas (80's)
 - California (90's)
-

CAUTION!

A city's revenues always lag 12-18 months behind the economic recovery.

Consultant's Role in the FSR

- Assist in structuring the FSR effort.
 - Work with Project Manager to keep process moving.
 - Outsider's View.
 - Test and challenge staff assumptions.
 - Bring operational knowledge to the table.
 - Budget retrenchment experience.
-

Fundamental Service Revenue Project

- Driven by economic realities.
 - Organization wide effort.
 - Acknowledges that “The way things are being done must change.”
-

Today's Situation

1. Early warning signs were apparent to management.
 2. Initiated early retrenchment actions began in 2007 and continued.
 3. The problem is viewed as long-term.
 4. Launched aggressive Fundamental Service Review.
-

The CLV Fundamental Service Review

- Is a model for comprehensiveness;
 - Completed in a short time-frame;
 - Included an extensive communication effort;
 - Encouraged employee involvement; and,
 - Challenged managers to think out of the box.
-

Budget Retrenchment

- Is driven by conflict.
 - Upsets and stresses the workforce.
 - Is a negative “take away” process.
 - Affects people, careers & how citizens live.
 - Radically changes the priorities of a community and who gets what.
-

Budget Retrenchment's Three Laws

1. Every line item in the budget has a constituency.
 2. Some line items have to be eliminated.
 3. The only two basic elimination options are:
 - Reduce operating costs (internal)
 - Reduce programs & services (external)
-

How Cities Typically React to Economic Downturns

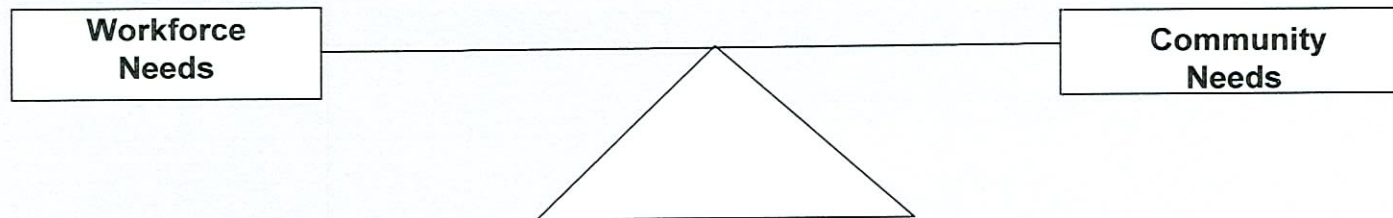
1. The signs are ignored or not recognized.
 2. When the signs are finally recognized, corrective reaction is too slow.
 3. A “this too shall pass” attitude drives the decision-making.
 4. Soft landings over-ride the right choices.
 5. A too little, too late outcome results.
-

CLV's Pre-Economic Crash Status

- Solid financial condition:
 - Revenues exceed expenditures
 - Low debt ratios
 - Up-to-date Infrastructure
 - Annual revenue growth
 - Revenues exceeded expenditures
 - Textbook fiscal management.
 - A positive “do more, better and faster” culture.
 - No institutional experience or memory with respect to operating with declining revenues.
-

Bottom Line

After scrubbing out inefficiencies,
retrenchment is balancing workforce needs
against community needs



The FSR Efficiency & Reorganization Options Are "Doable"

- Staff stationary posts w/contract security
- Right size fleet
- Centralize PIO functions



-
- Increase outsourcing
 - Use risk management criteria to determine F & R response
 - Eliminate Rapid Reaction Program



Conclusions

- CLV's past management practices & council policy decisions "positioned" the City as well as can be expected for economic disruption.
- The FSR recommendations are balanced and will work.
- The FSR & Companion studies drilled deeply into the City's operations.

Conclusions, Cont.

- The City has been, and still is, ahead of the curve when compared to how other cities are dealing with the economic crisis.
 - Policy direction is now needed to keep the City ahead of the curve
 - Without additional taxation, future revenues will not be capable of supporting existing personnel practices.
-

Consultant's Recommendations

1. Adopt the CM's recommendations ASAP;
 2. Use the Performance Plus effort to transition to a Program Performance Budget (PPB);
 3. Re-balance labor costs to a lower % of the operating budget;
-

Recommendations, Cont.

4. Increase the CMO's data collection, analytical and budget oversight capacity;
 5. Review & adjust budget expenditures on a quarterly basis; and,
 6. Analyze FSR employee efficiency ideas.
-

FALL 2008 ECONOMIC BRIEFING

Presented to the:
Las Vegas City Council Workshop



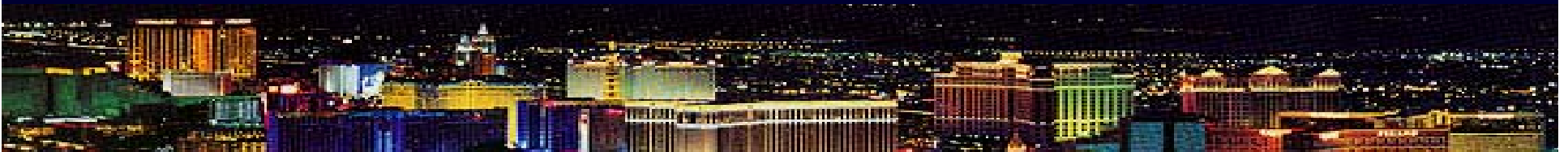
October 6, 2008

Presented by:

RESTREPO
CONSULTING
GROUP LLC

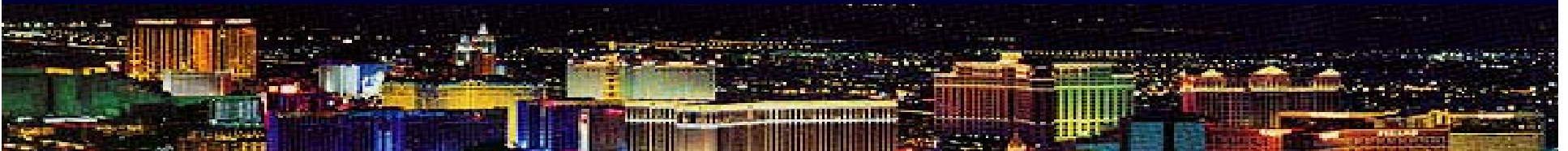


THE ECONOMY



It's the economy, stupid"

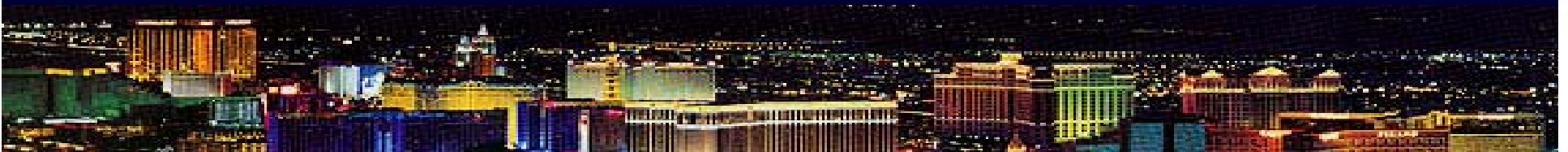
--Clinton campaign strategist James Carville, 1992



Official Definitions

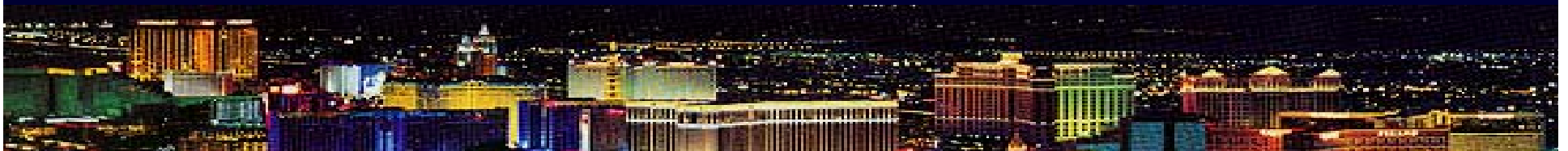
- **RECESSION** - Any economic downturn where real GDP declines by less than 10%. The average recession lasts about 1 year.
- **DEPRESSION** - A decline in GDP of 10% + over 2-3 quarters.

Note: Last depression in the U.S. was from May 1937 to June 1938, where real GDP declined by 18.2%.

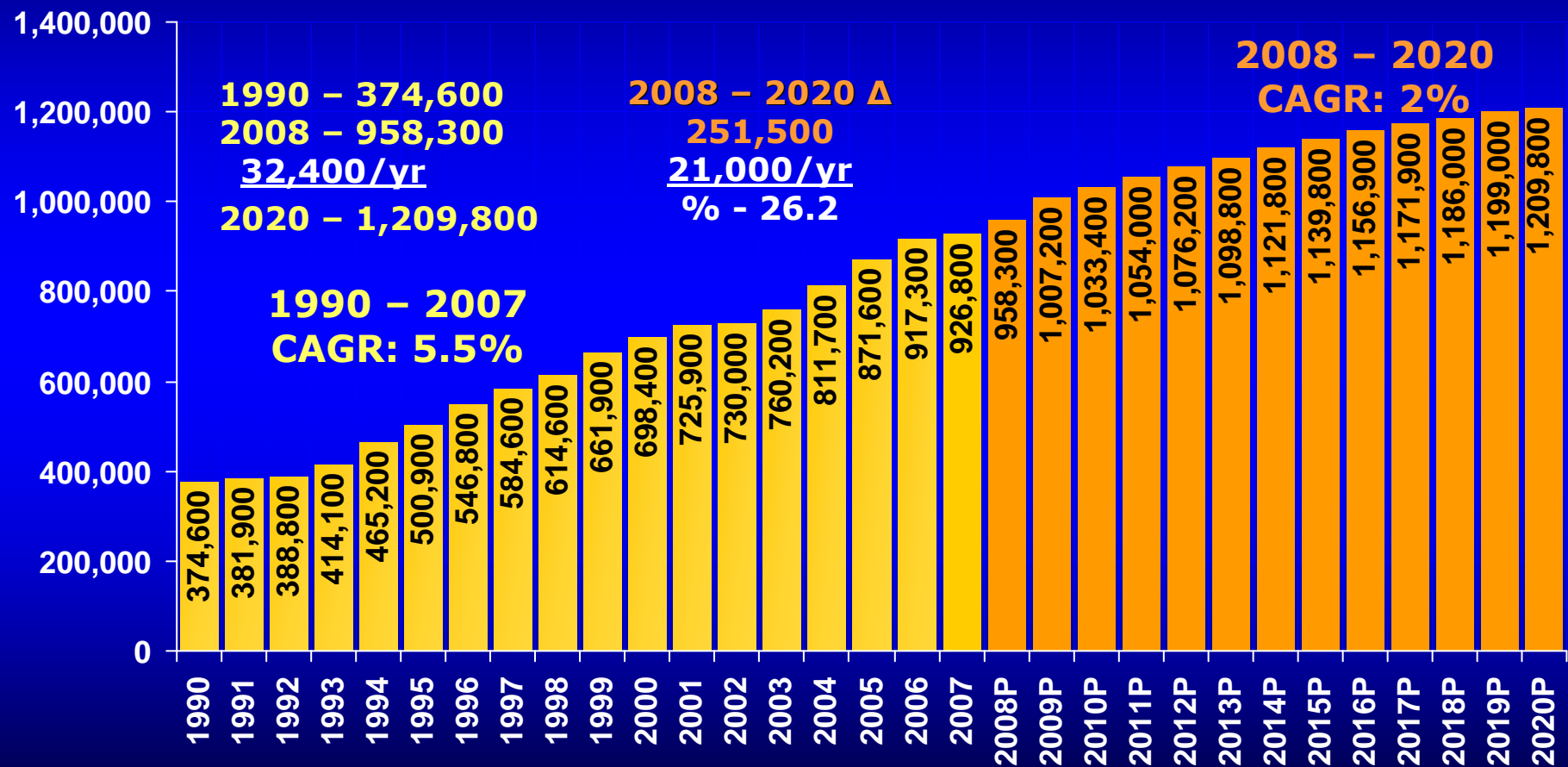


More Understandable Definition

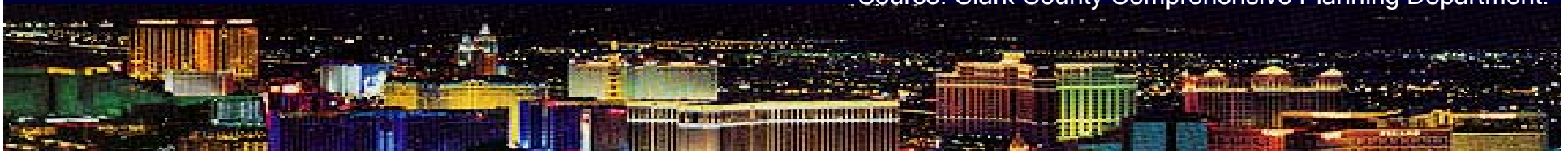
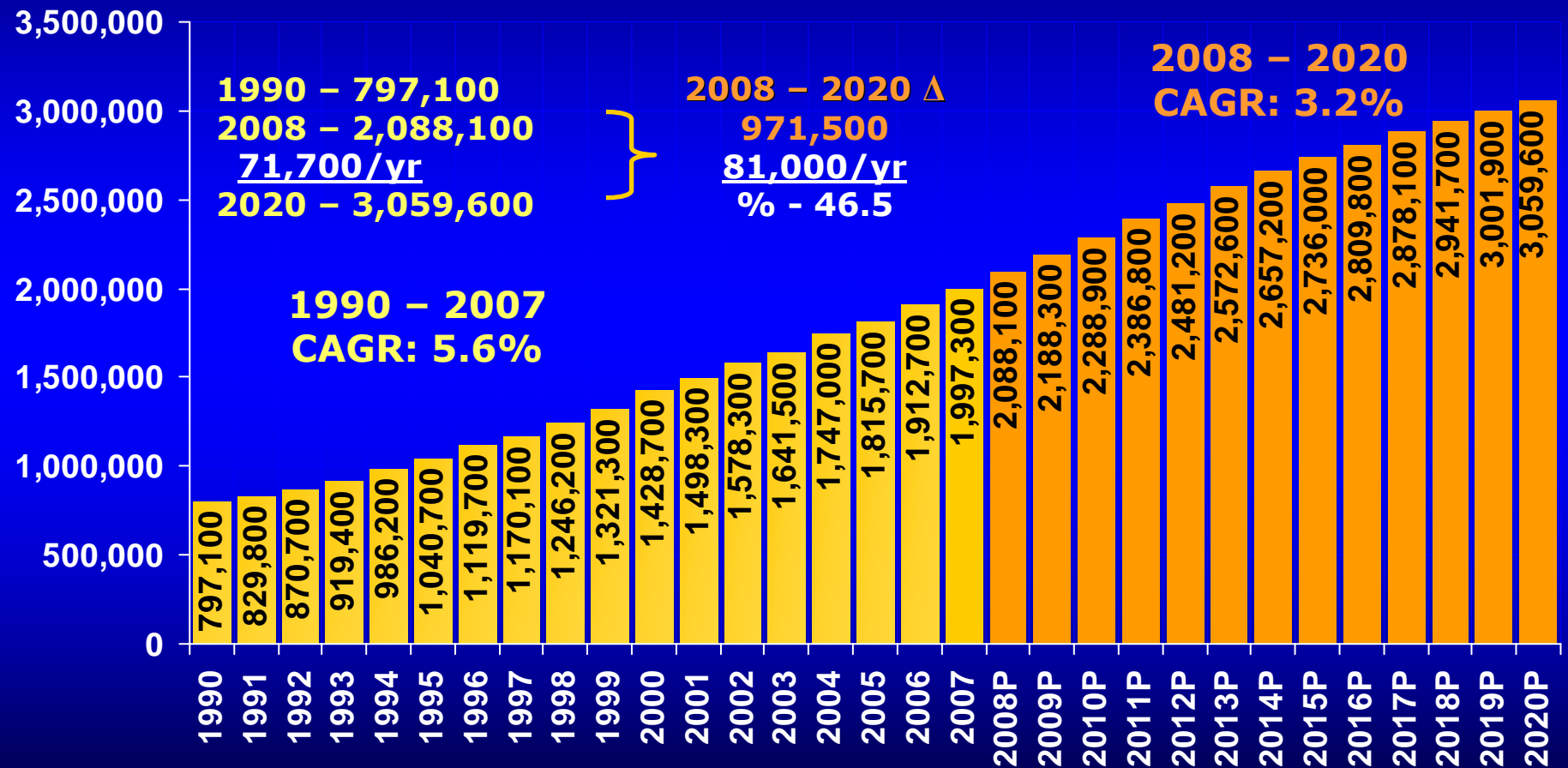
- **A recession is when your neighbor loses his or her job.**
- **A depression is when you lose your job.**



Clark County Employment: A Major Bright Spot 1990 – 2020P



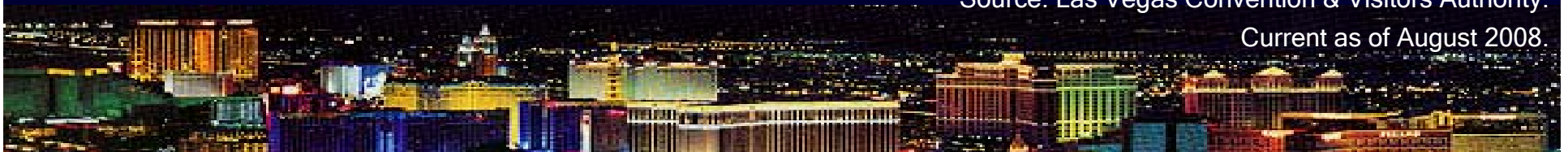
Clark County Population: Driven By Economy 1990 – 2020P



Resort Industry Investment: Will They Come? Scheduled Completions & Planned, 2008 – 2011 & Undetermined

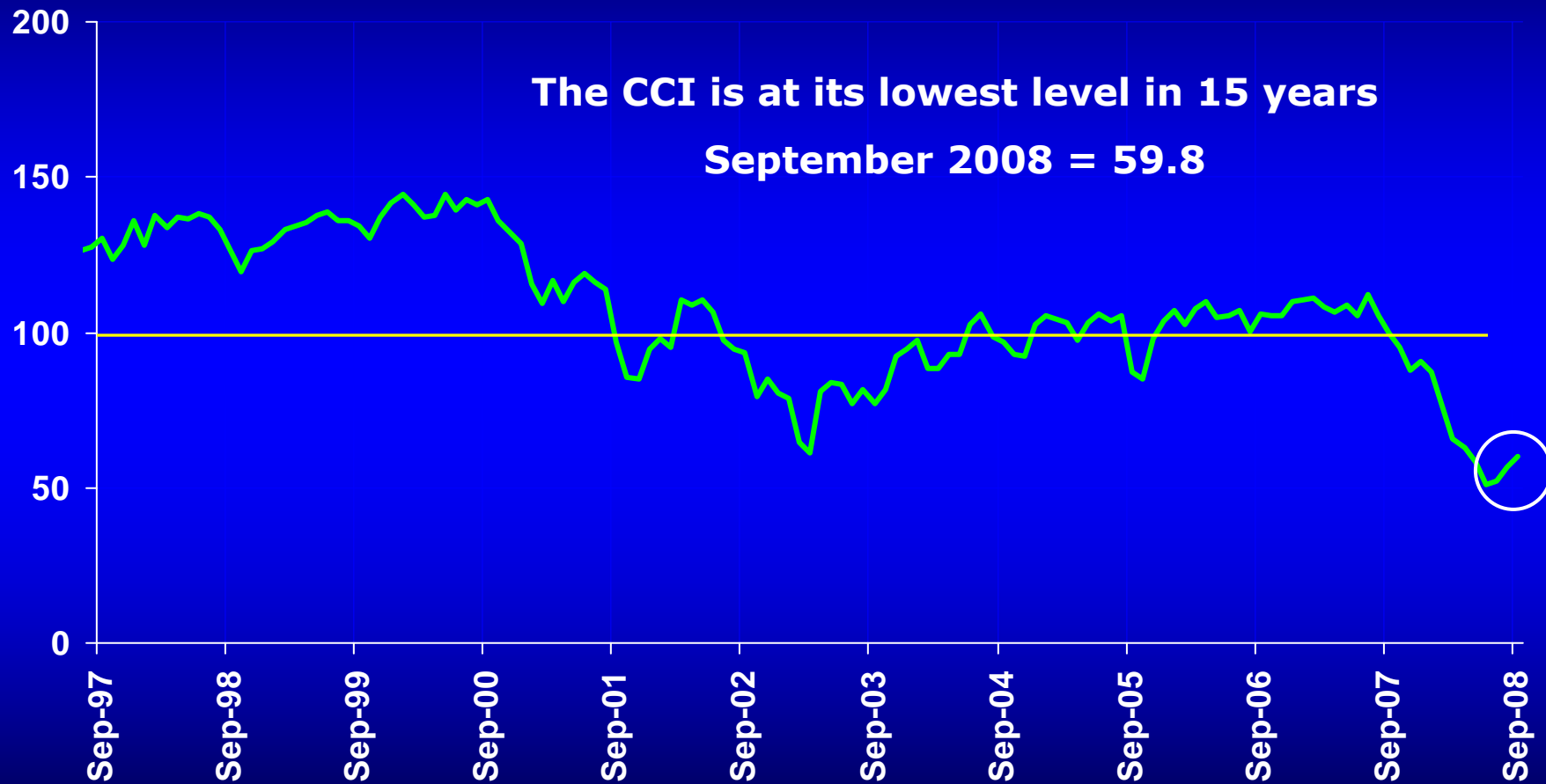


Does not include Wynn Resorts' planned 2 towers w/ 5,200 rooms or Station's VIVA (Wild Wild West site), potentially a \$10B project starting with 5,200 rooms in 3 towers in 1st phase.

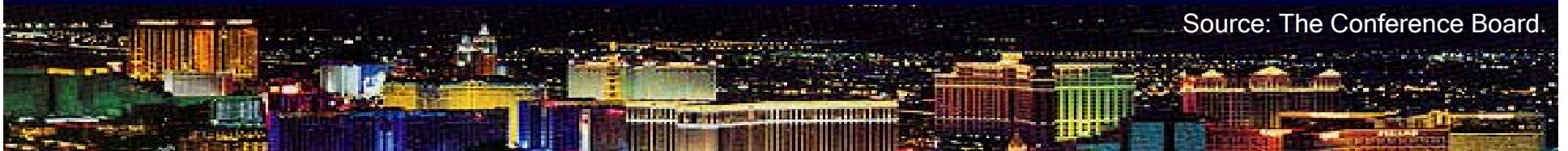


Consumer Confidence Index September 1997 – September 2008

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Baseline (1985): 100.0



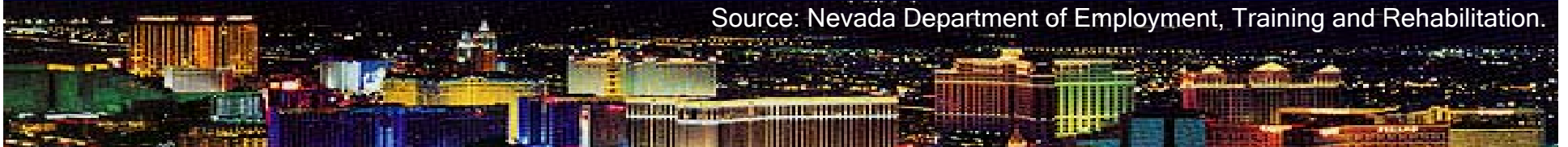
Clark County Job Growth from Same Month in Previous Year: August 2001 – August 2008

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CONSULTING
GROUP LLC



10

Source: Nevada Department of Employment, Training and Rehabilitation.



Clark County Job Change in 11 Major Industries

August 2007 Compared to August 2008

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GROUP LLC

Construction, -9,600

Prof., Business, -
2,200

Financial Activities, -
1,400

Information, -500

Manufacturing, -500

Total =
-14,100 jobs

Net loss = - 400

Total =
13,700 jobs

Other Services, 500

Leisure, Hospitality,
2,000

Educ., Health, 2,800

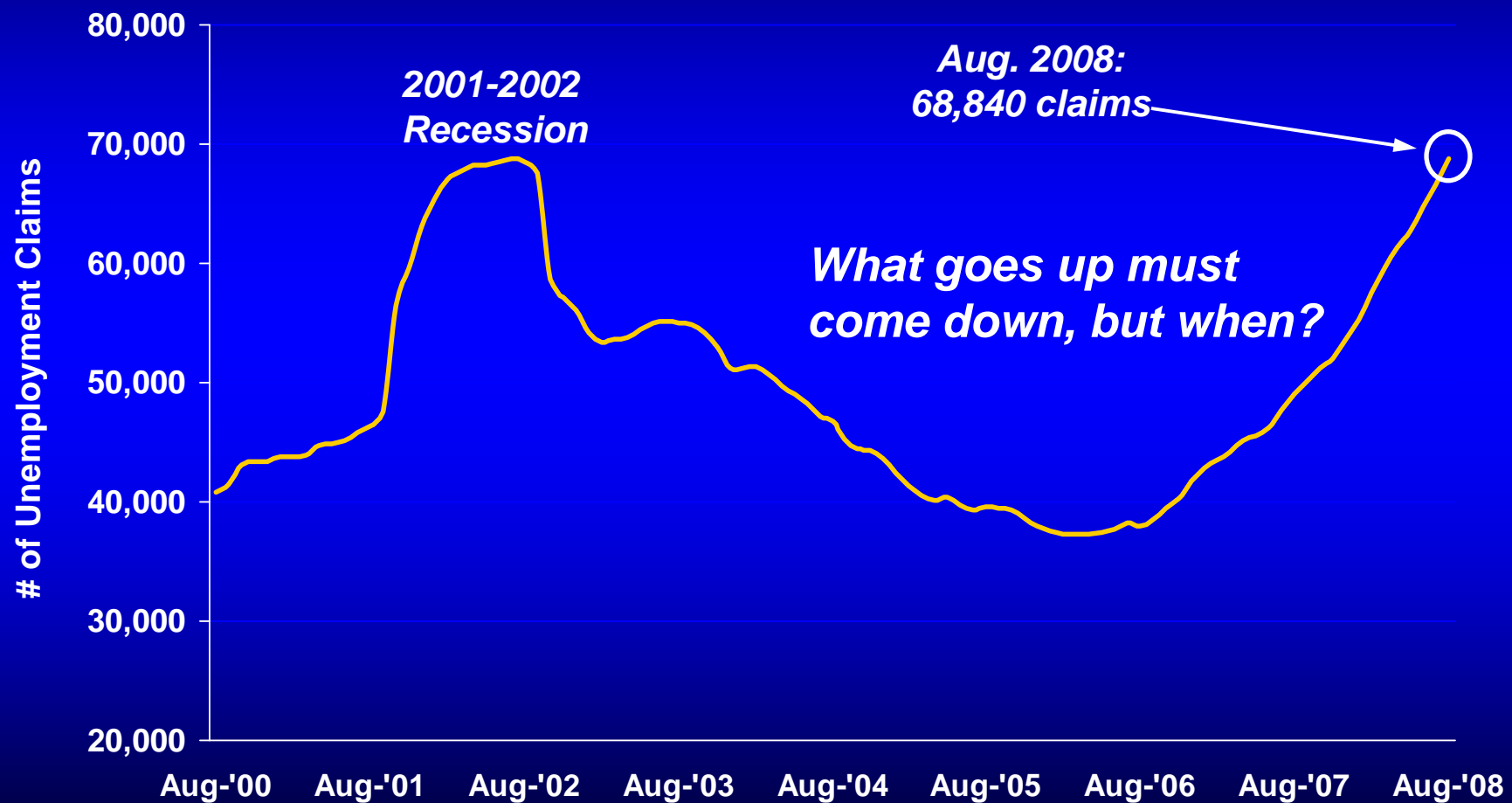
Trade, Trans., Util.,
2,900

Fed/St/Local Gov.,
5,500



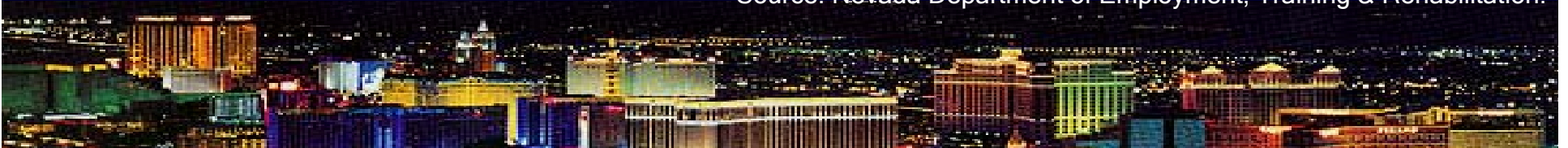
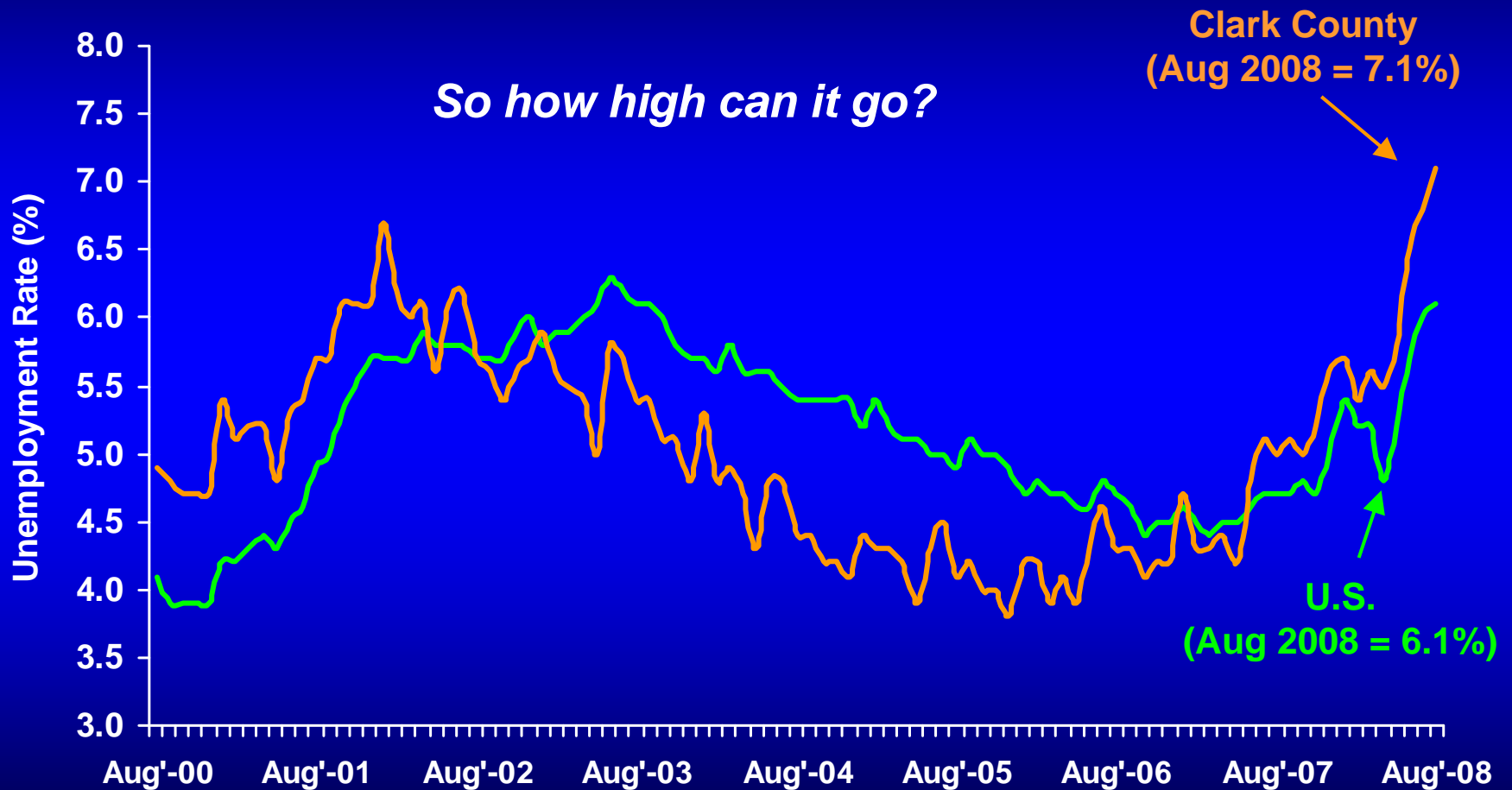
of Clark County Unemployment Claims

August 2000 – August 2008 (12-Mo. Annualized Totals)



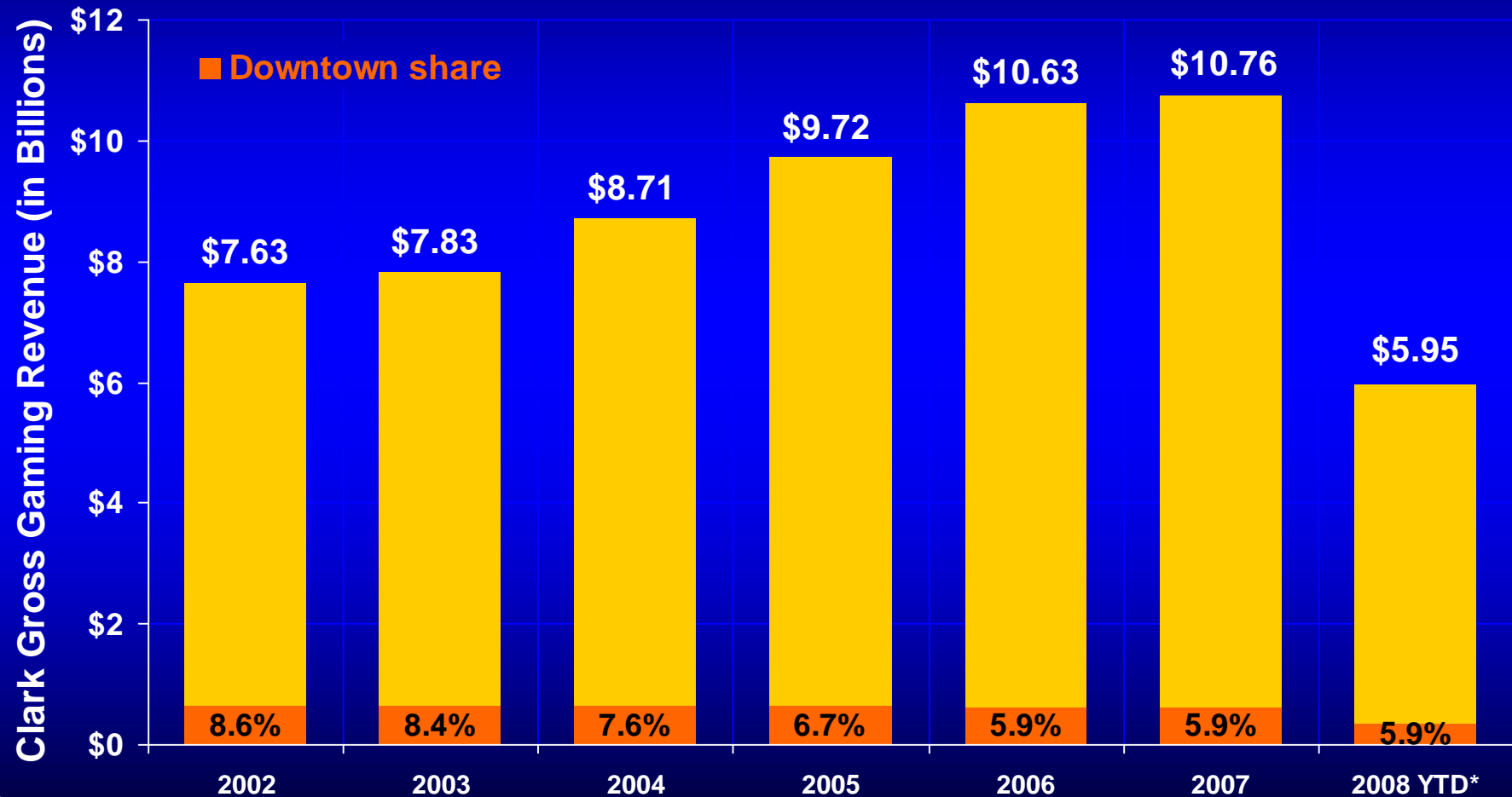
Clark County & U.S. Unemployment Rates August 2000 – August 2008

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Gross Gaming Revenue: Downtown as % of Clark County 2002 – 2008 YTD*

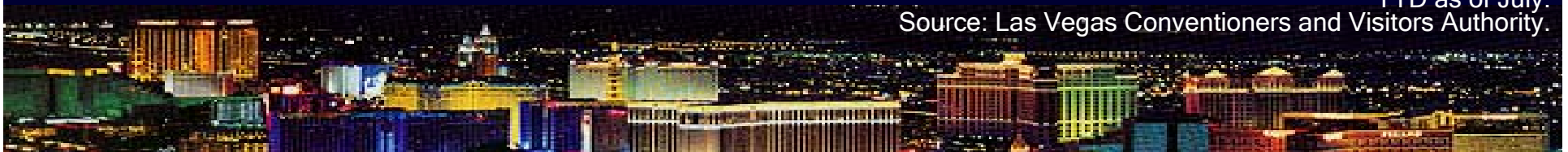
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*YTD as of July.

Source: Las Vegas Conventioners and Visitors Authority.



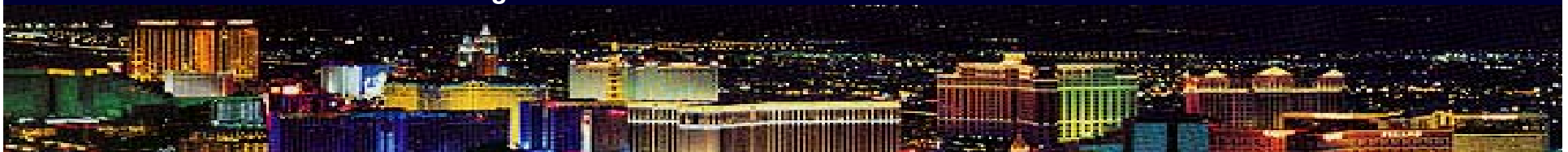
2007-2015P JHB Ratios by Jurisdiction (DETR & Clark County-Based)



Based on DETR employment figures & Clark County Comp Planning housing units

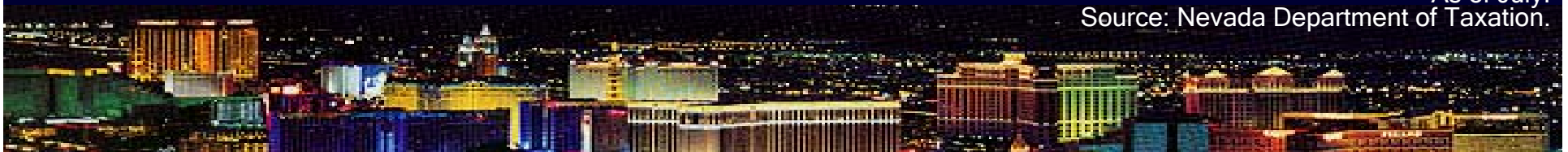
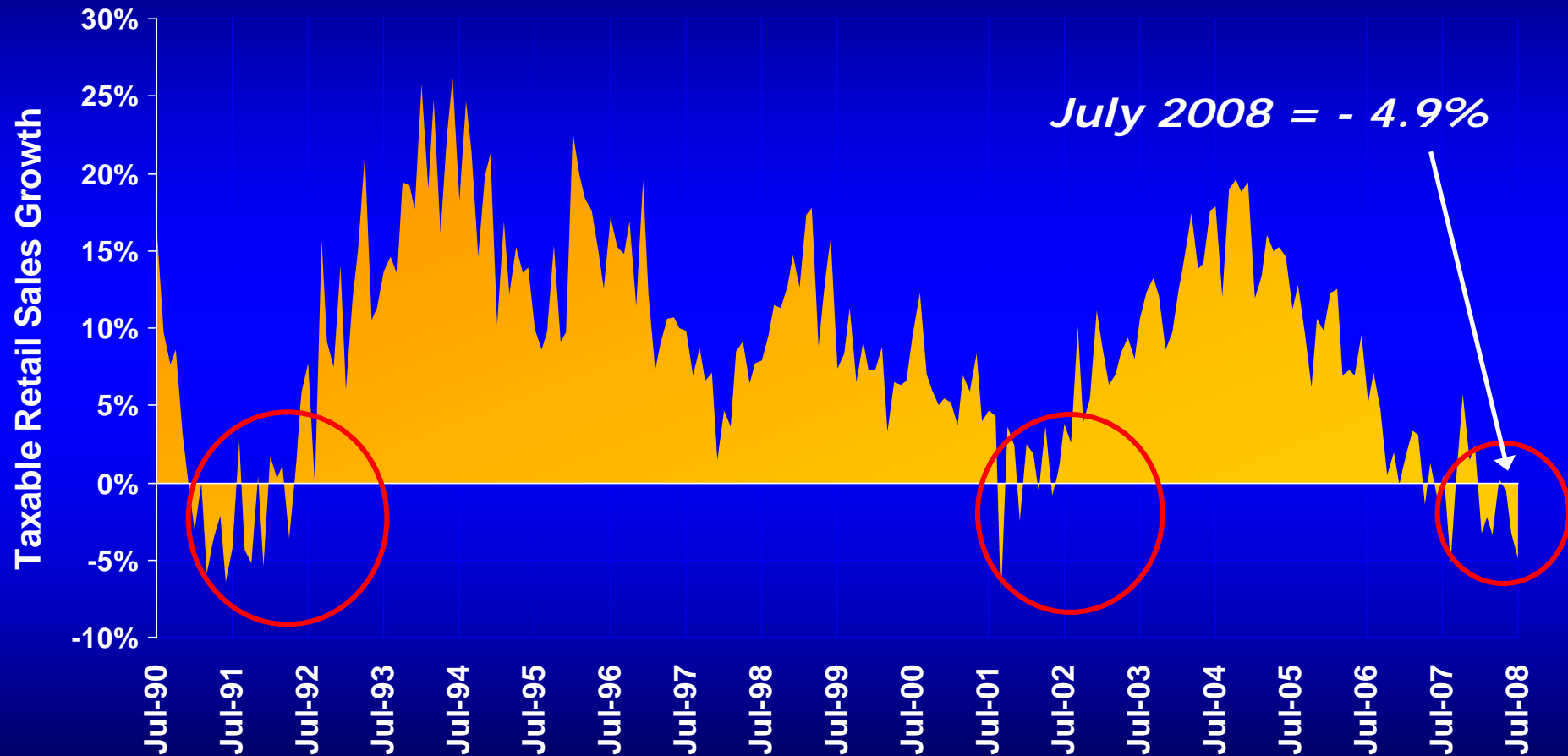
Source: Department of Employment, Training & Rehabilitation ("DETR"). Clark County Comprehensive Planning Department.

Note: "APA" = American Planning Association.



Clark County Taxable Sales Growth Rate 1990 – 2008*

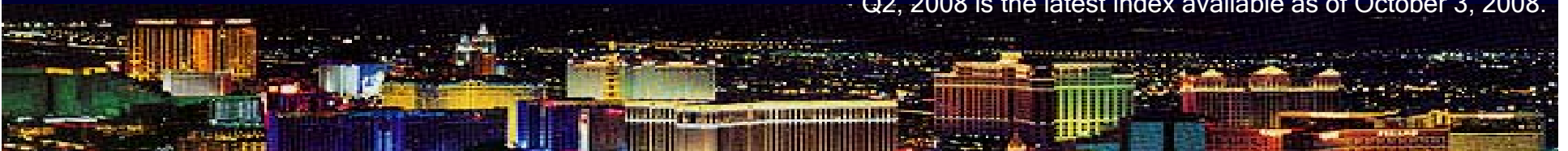
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Las Vegas MSA Cost of Living Index: Q2, 2008

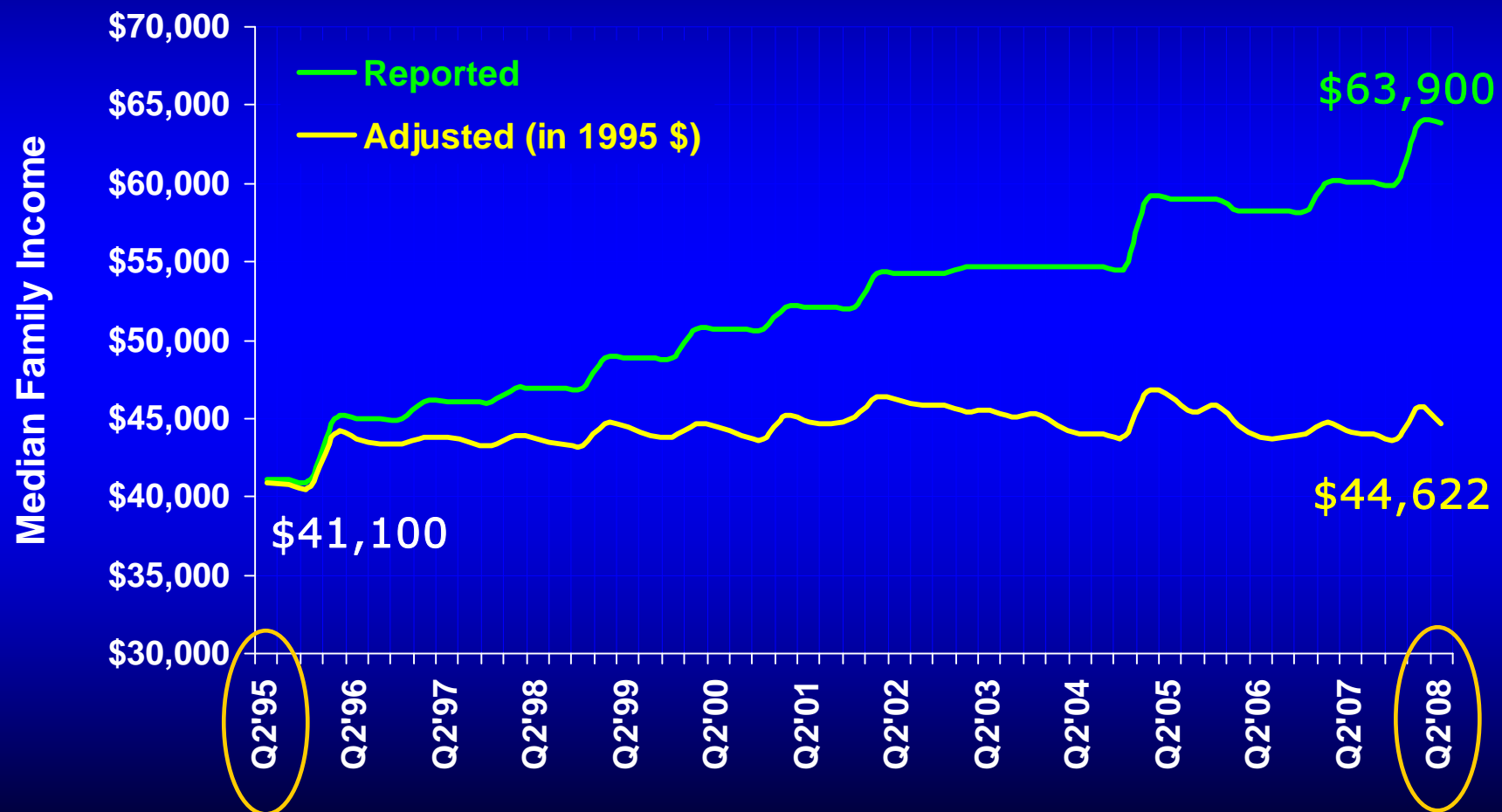
Cost of Living Index	Items Index Costs	Grocery Items	Housing	Utilities	Transp.	Health Care	Misc. Goods & Serv.
Las Vegas MSA	106.3	103.1	123.1	94.8	100.7	100.8	98.2

LV is 6% Higher than National Metro Area Average of 100

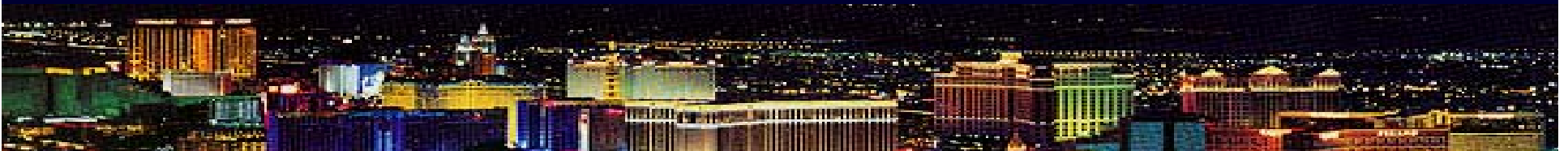


Clark County Median Family Income Reported vs. Inflation-Adjusted (in 1995 \$): Q2, 1995 – Q2, 2008

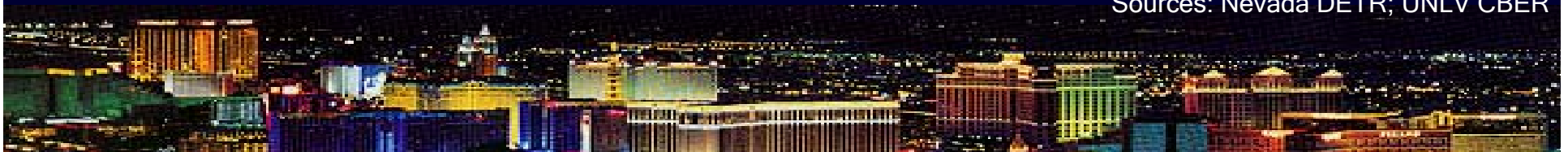
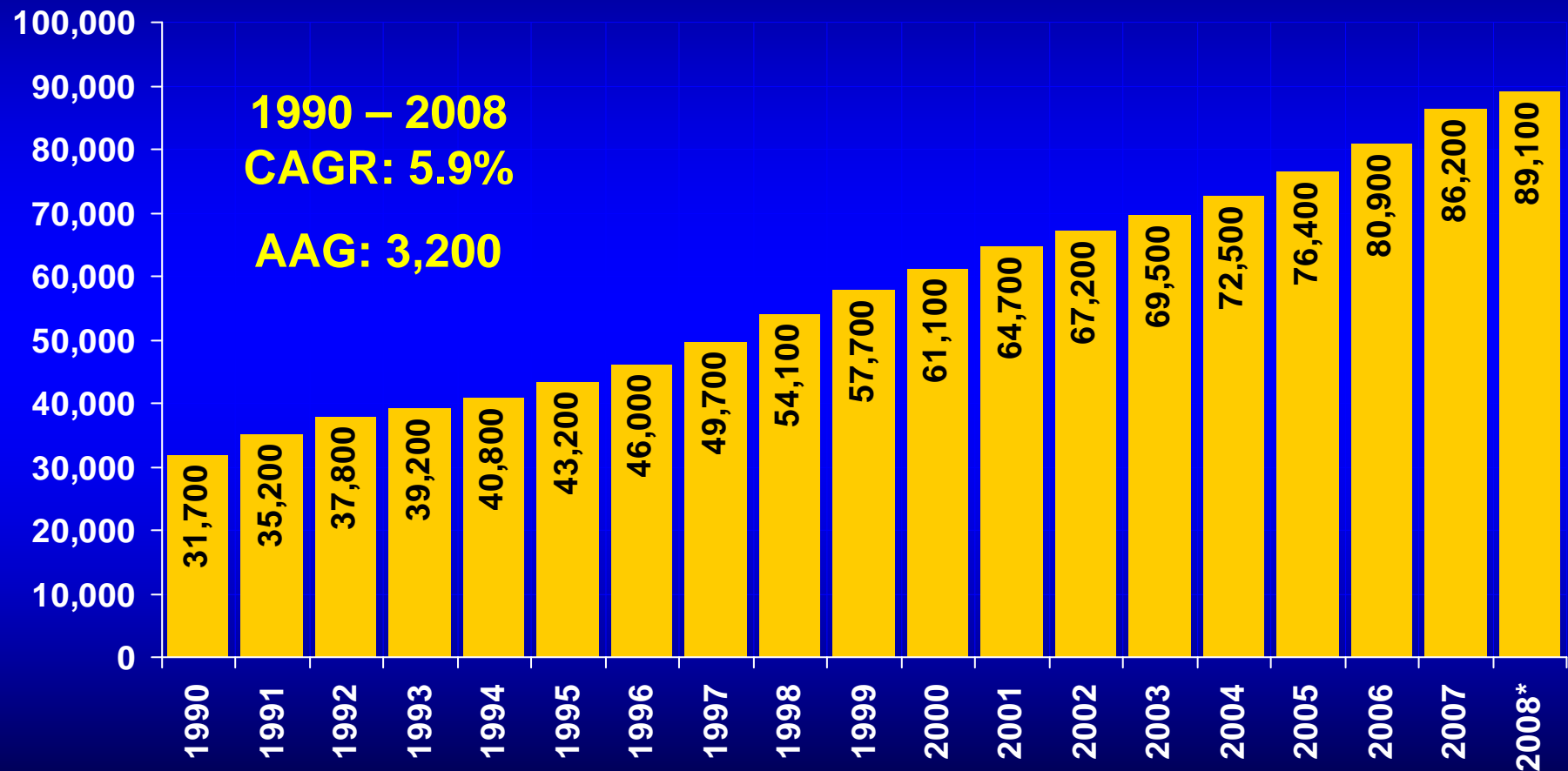
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STATE & LOCAL GOVERNMENT



Clark County State & Local Government Employment Growth: 1990 – 2008*

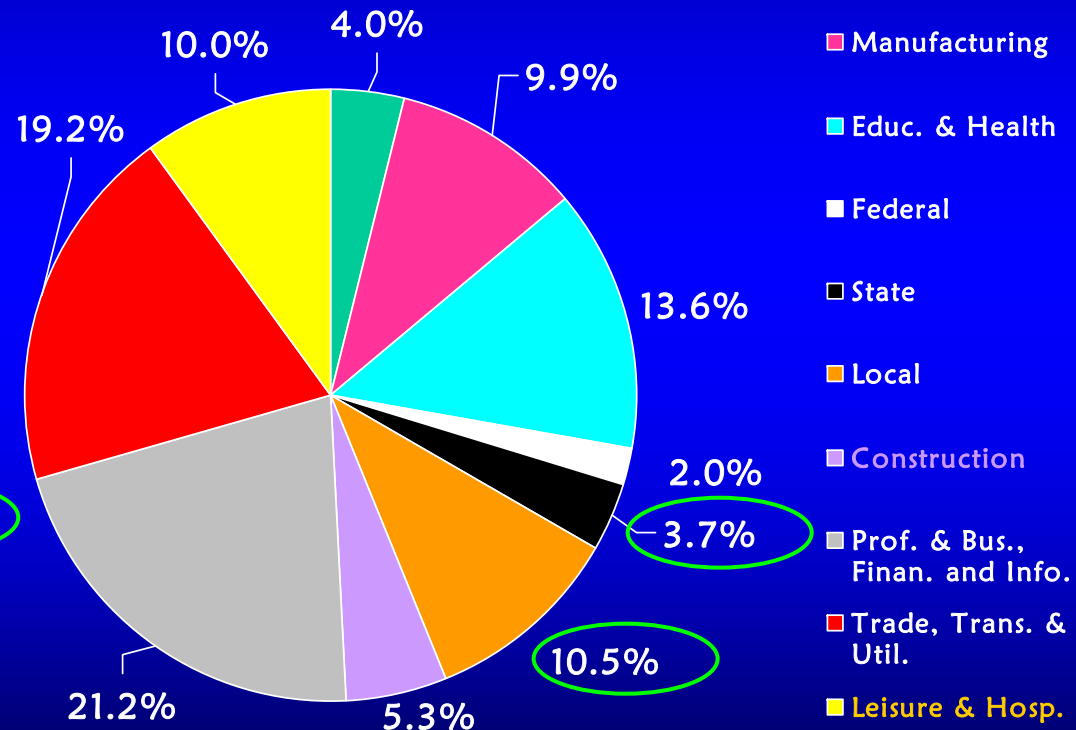
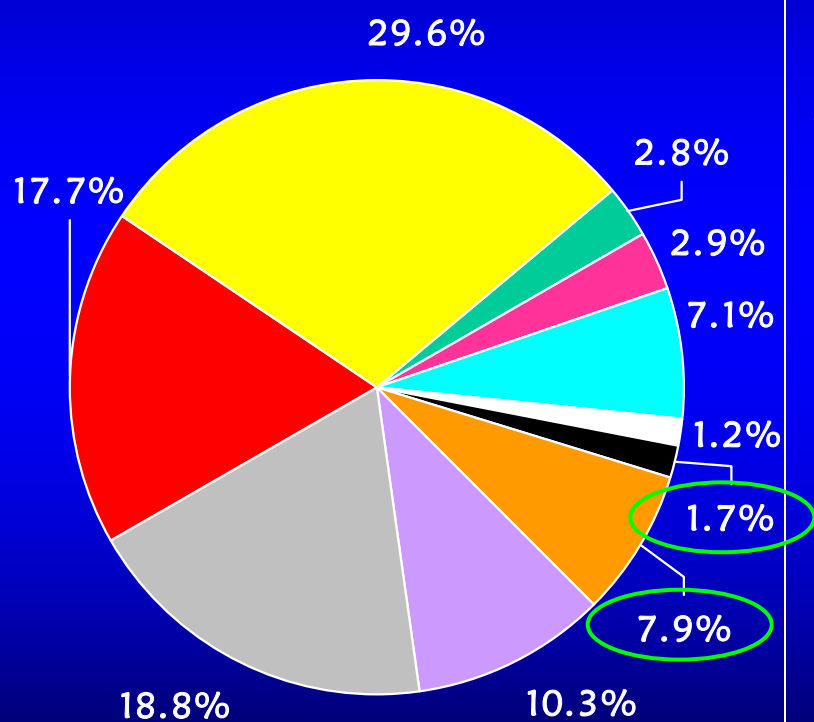


Clark County vs. U.S. - % Local & State Public Jobs: 2008*

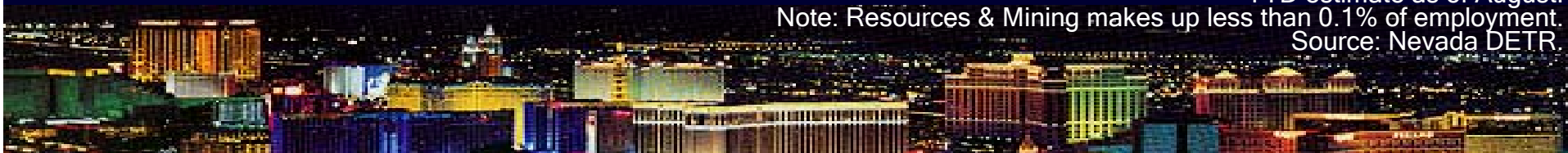
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Clark County

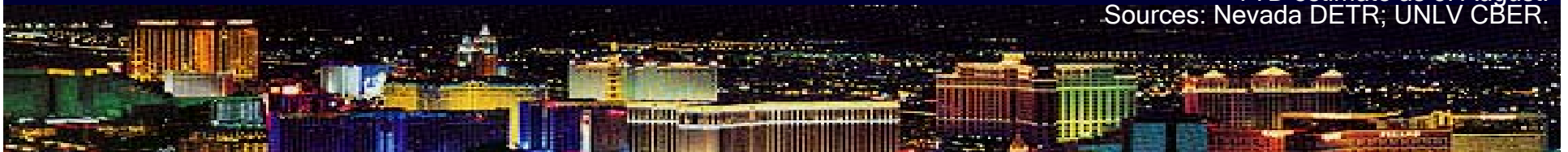
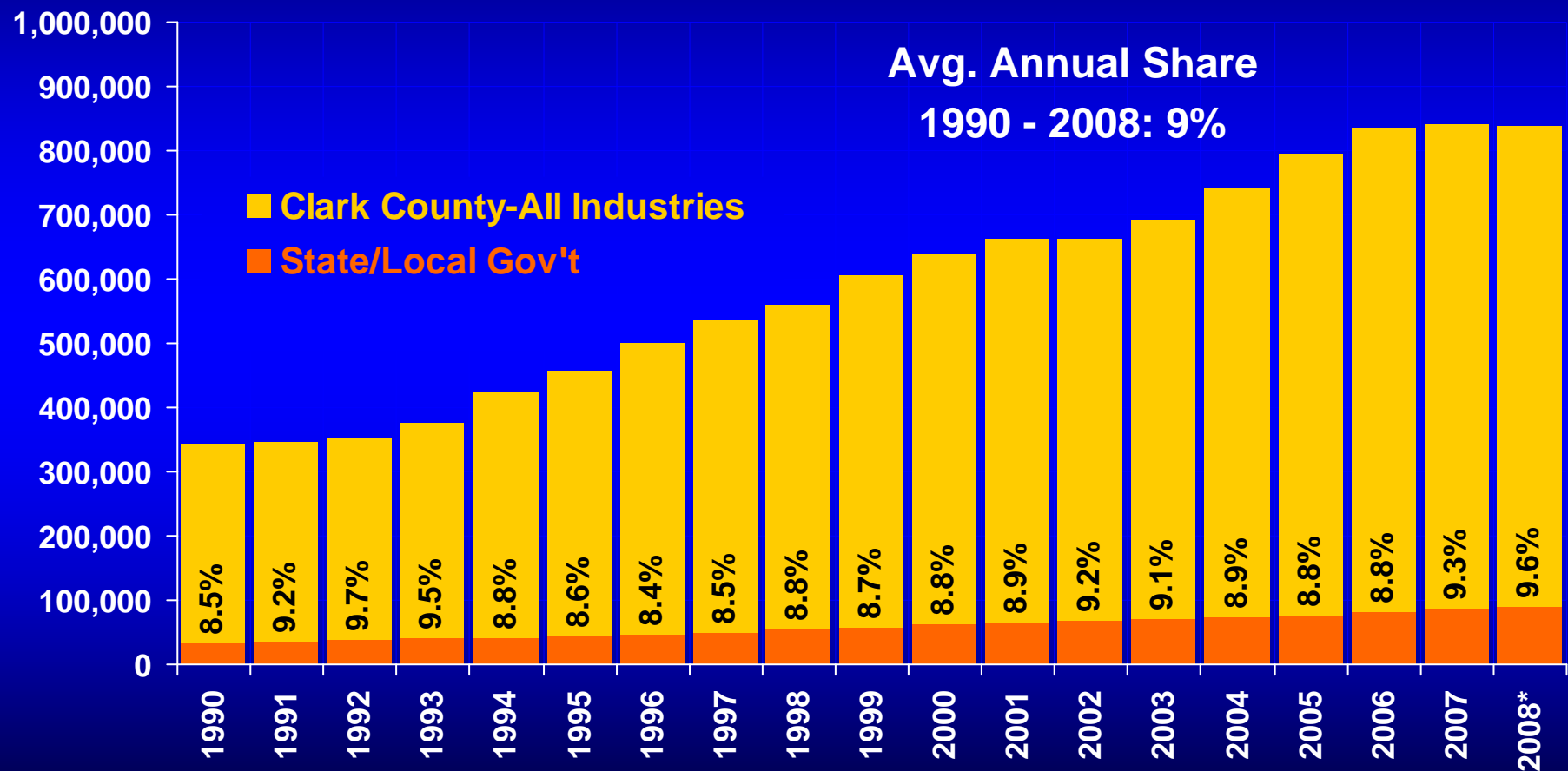
U.S.



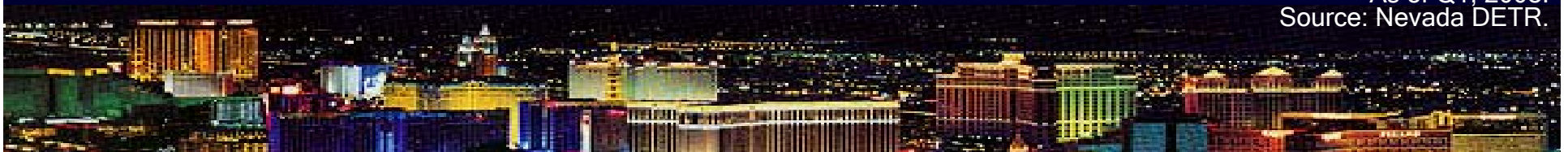
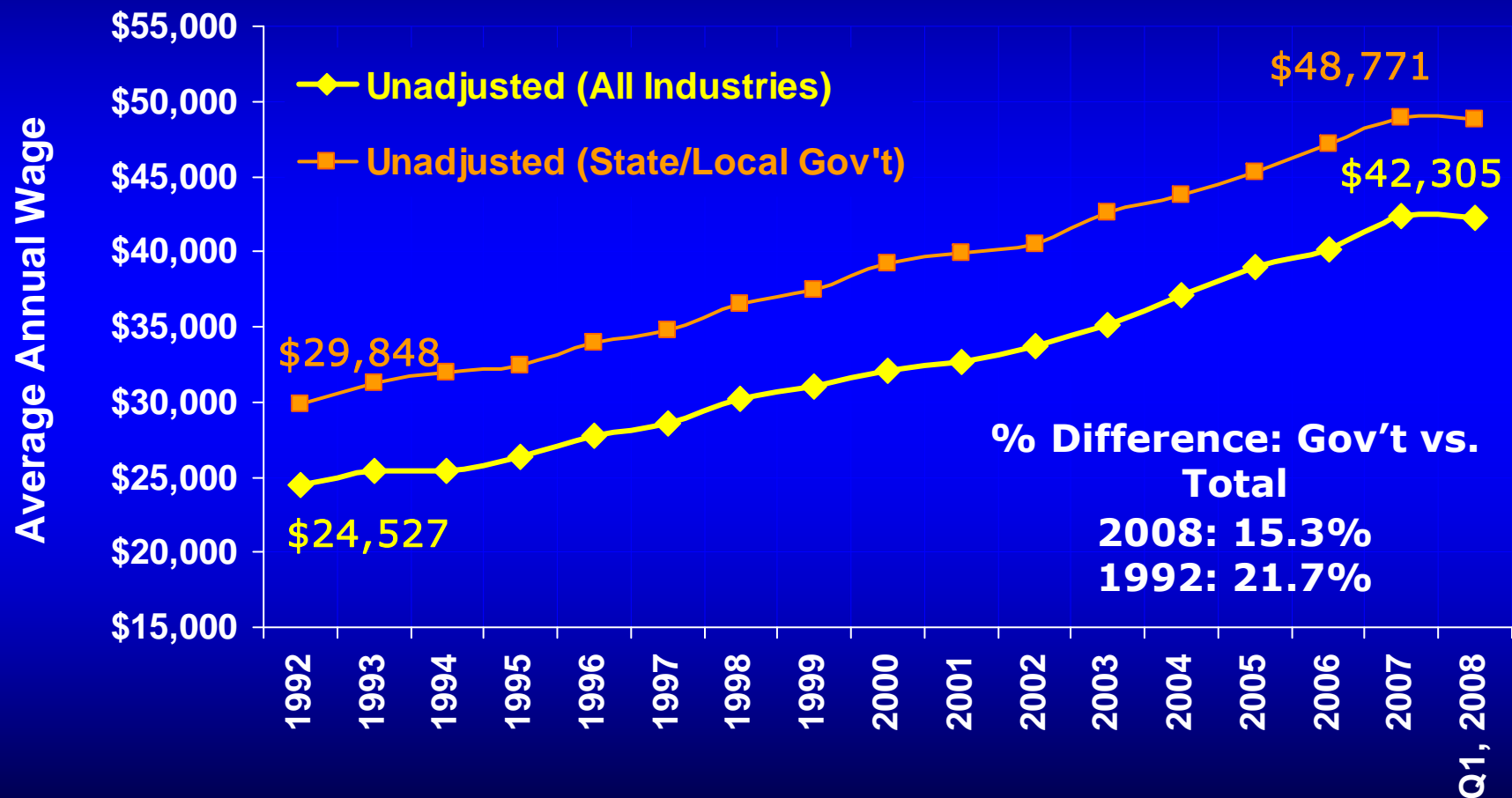
- Other Services
- Manufacturing
- Educ. & Health
- Federal
- State
- Local
- Construction
- Prof. & Bus., Finan. and Info.
- Trade, Trans. & Util.
- Leisure & Hosp.



Clark County State & Local Government Jobs % of Total Employment: 1990 – 2008*

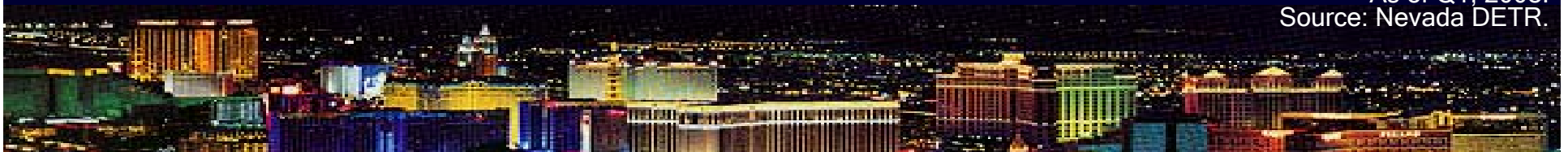
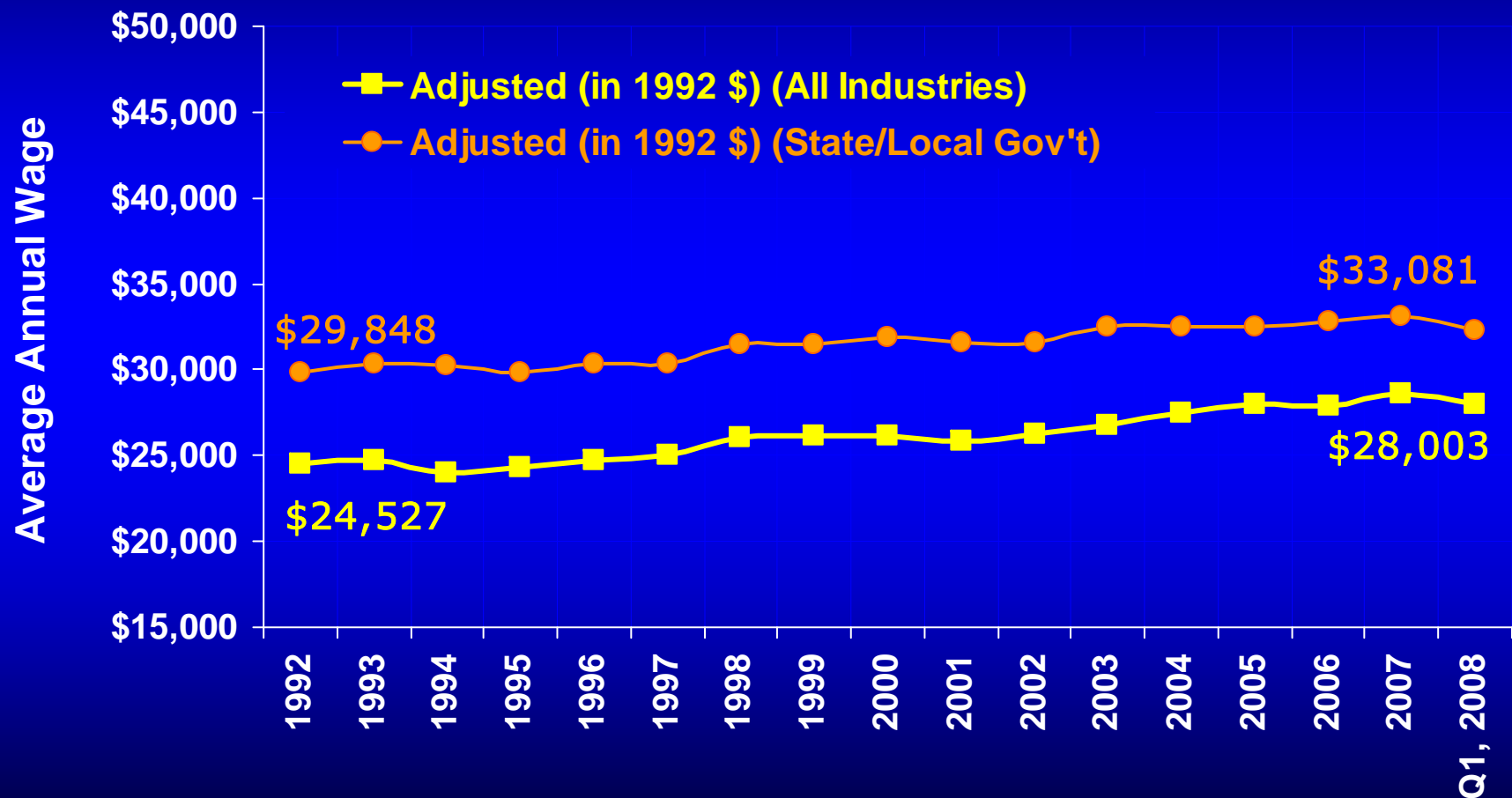


Average Annual Wage – Total Clark County vs. State & Local Govt. (Unadjusted): 1992 – 2008*



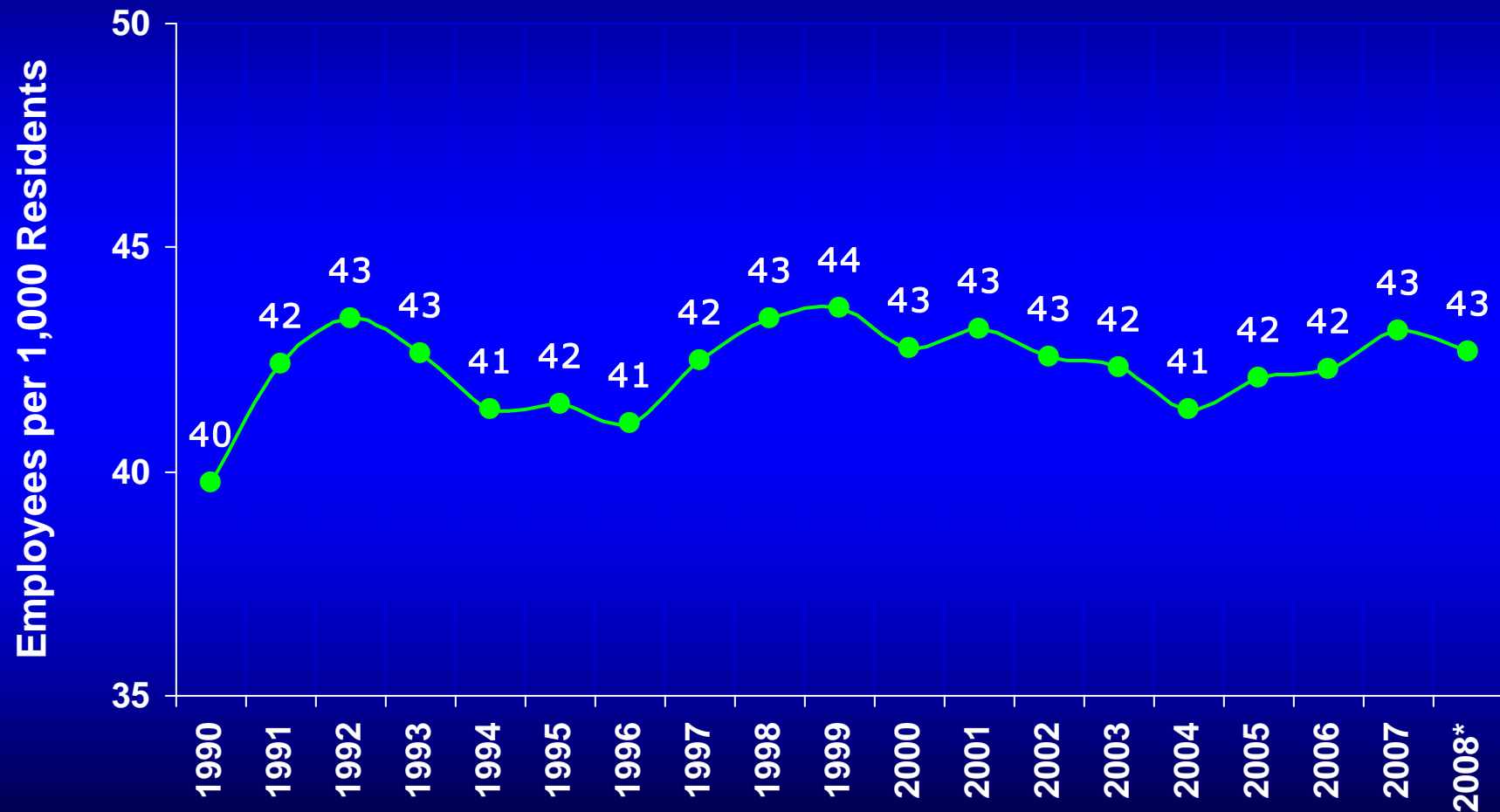
Average Annual Wage – Total Clark County vs. State & Local Govt. (Inflation-Adjusted): 1992 – 2007

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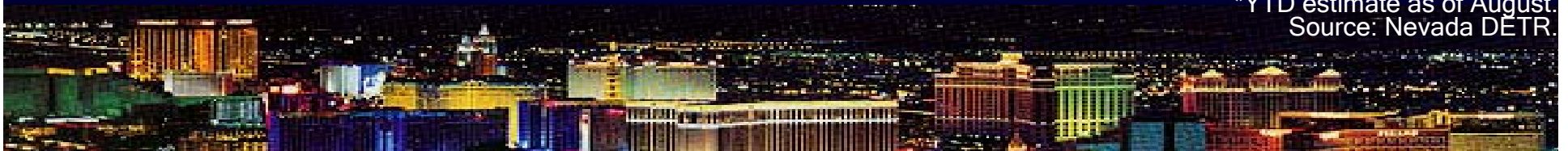
Clark County State/Local Employees per 1,000 Residents: 1990 – 2008*

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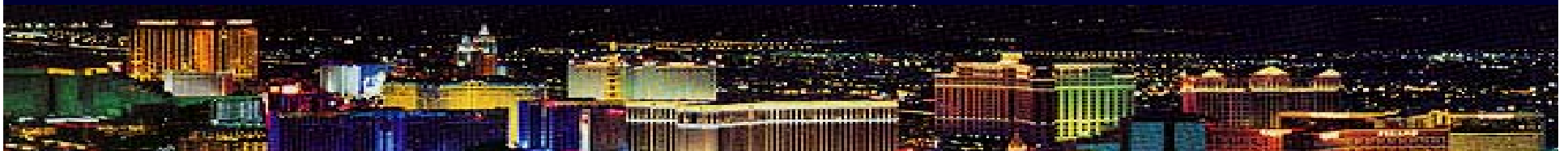
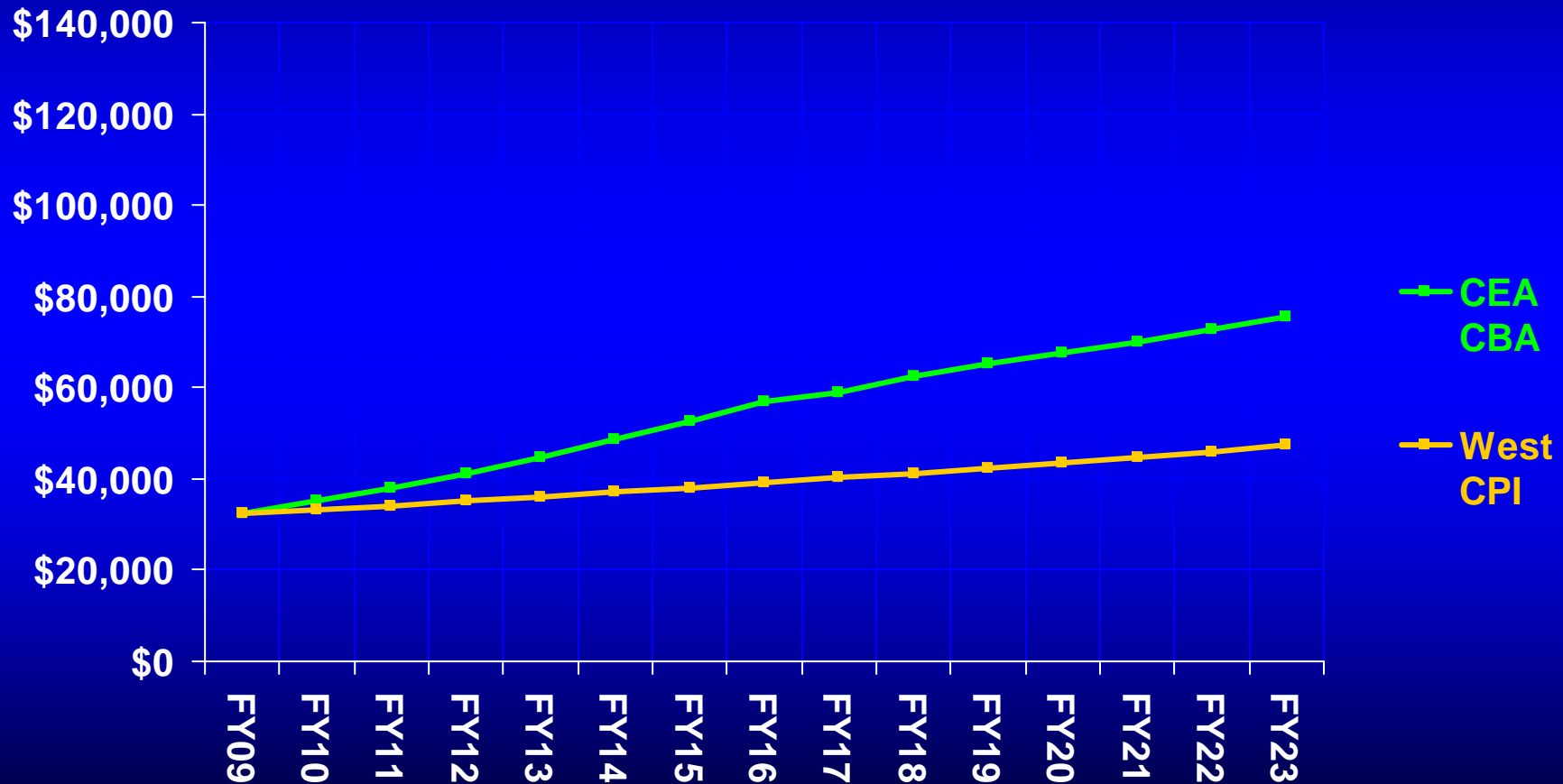


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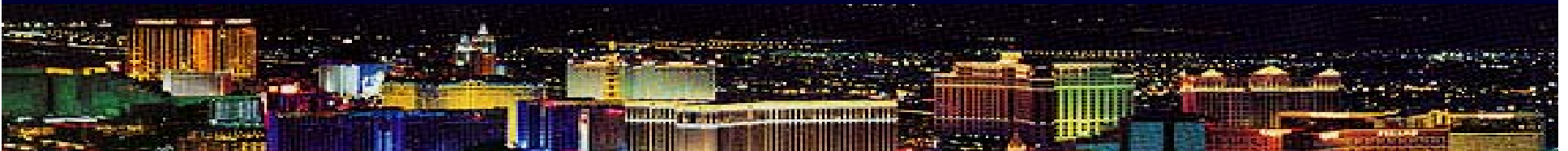
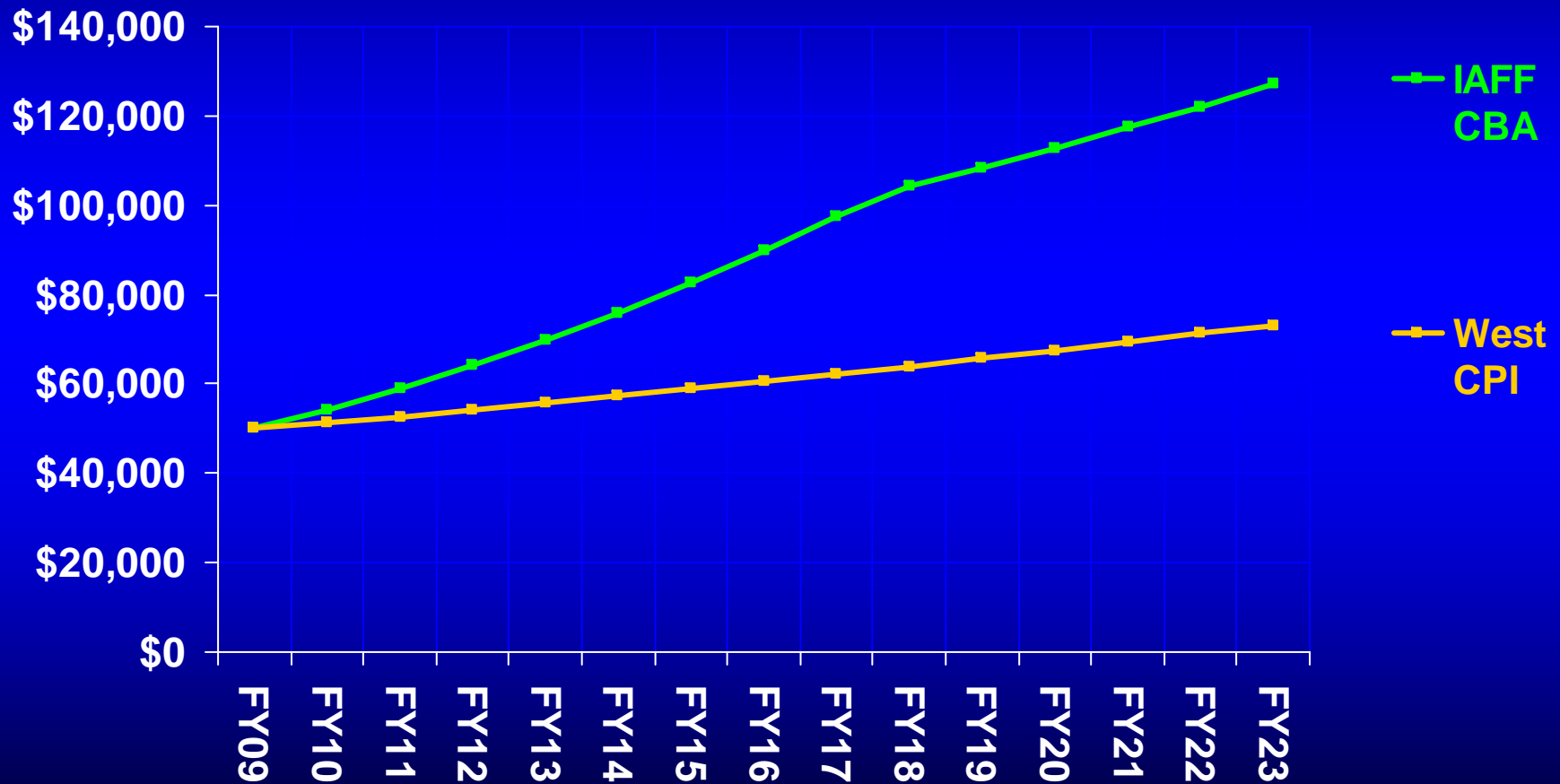
*YTD estimate as of August.
Source: Nevada DETR.



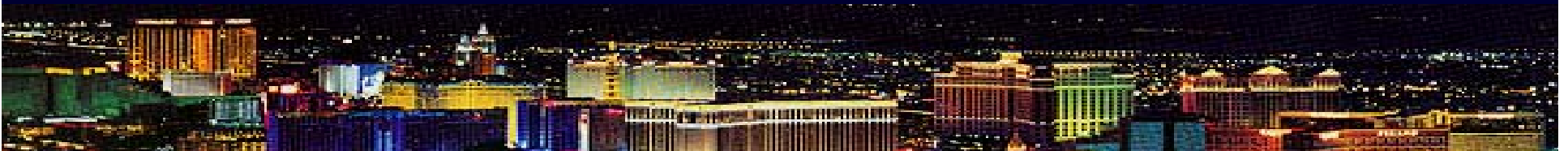
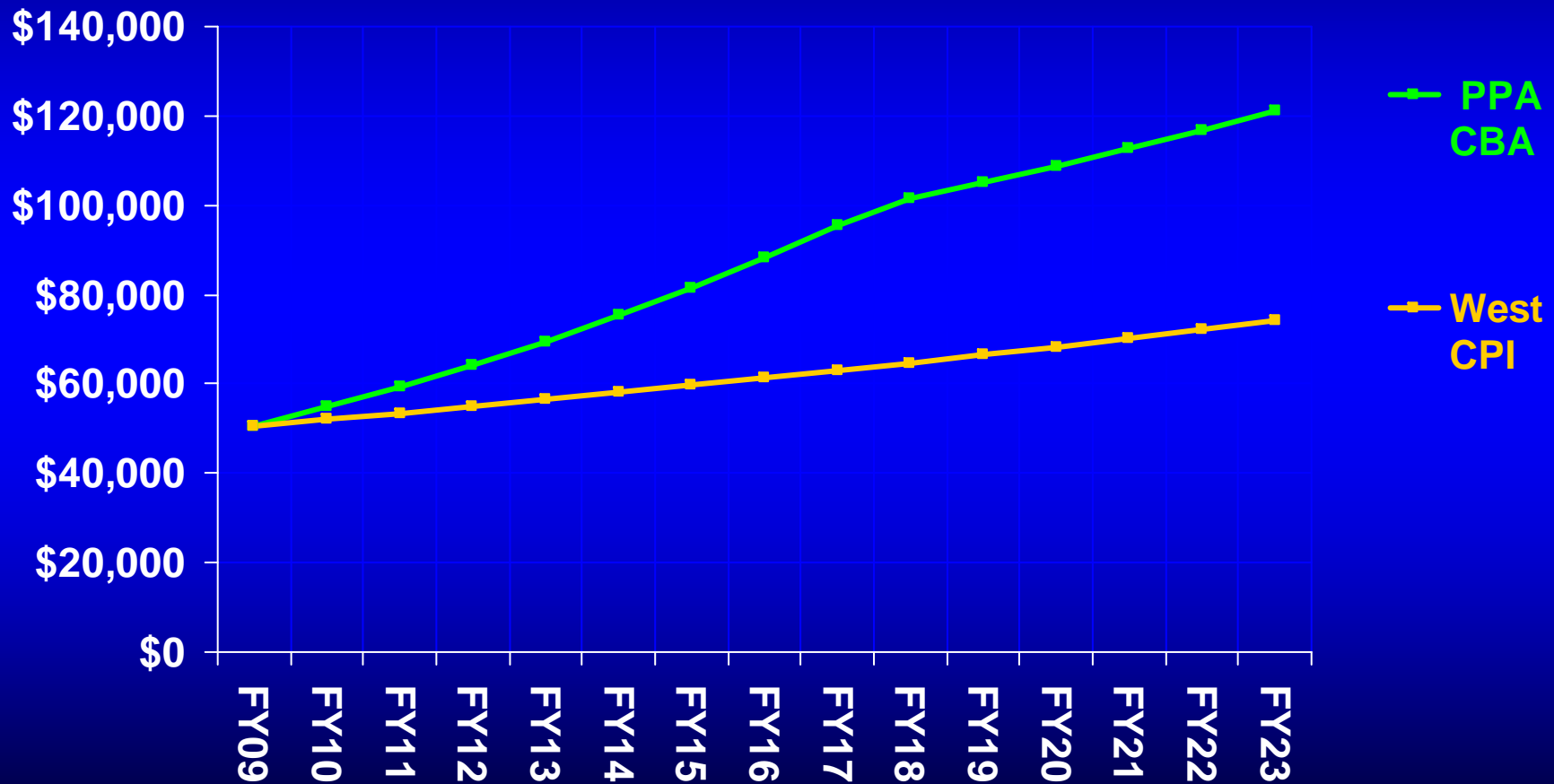
Wage Growth City Employee Assoc. (CC19) vs. CPI FY 2009 – FY 2023 (Projected)



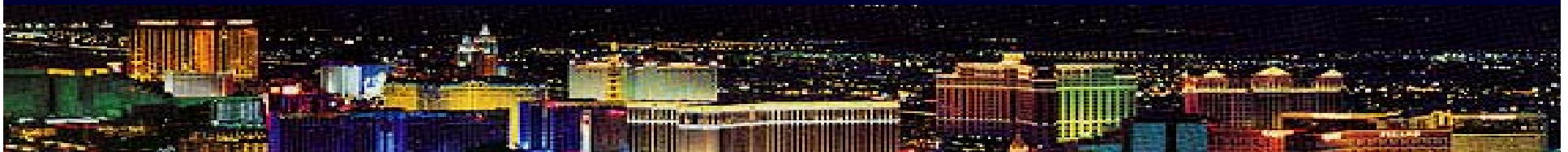
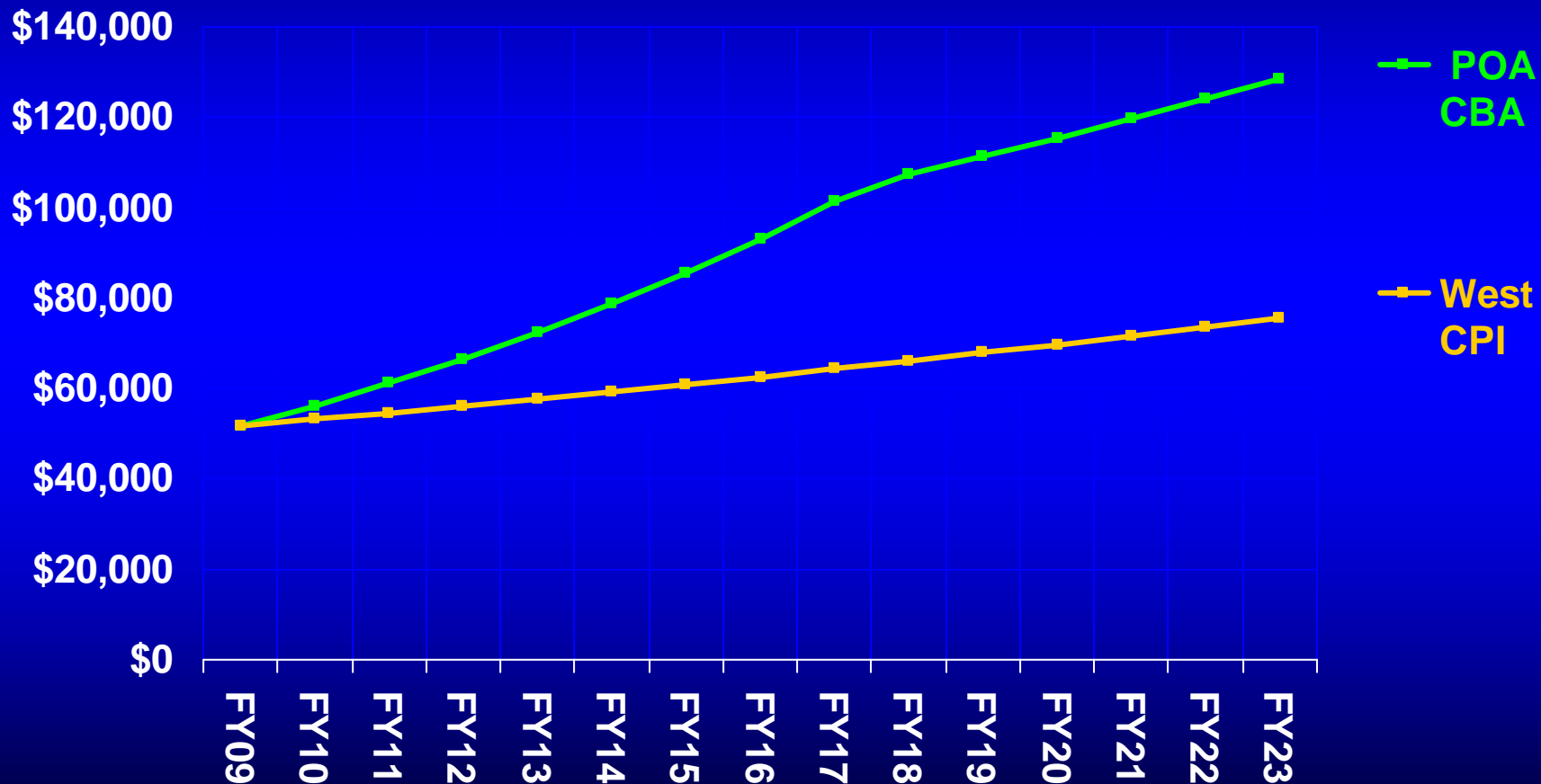
Wage Growth Int'l Assoc. of Fire Fighters (FC 74) vs. CPI: FY 2009 – FY 2023 (Projected)



Wage Growth Police Protective Assoc. (PM6) vs. CPI FY 2009 – FY 2023 (Projected)

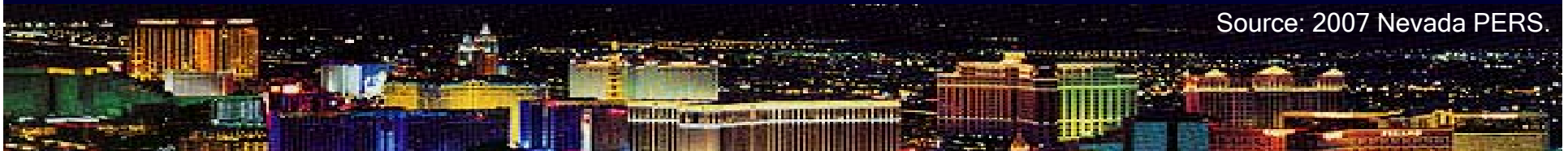


Wage Growth Peace Officers Assoc. (PO6) vs. CPI FY 2009 – FY 2023 (Projected)

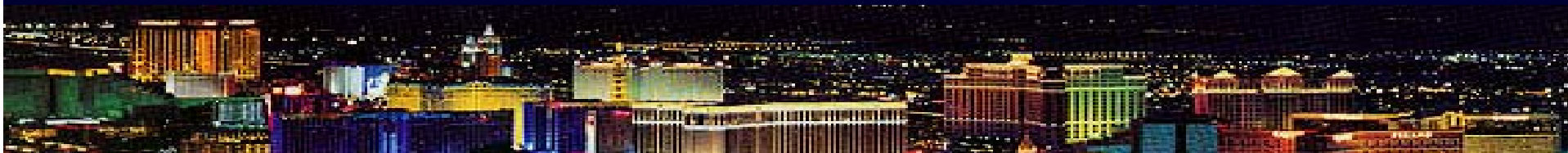


NV PERS Active Members vs. Benefit Recipients: 1978, 1995, & 2004 - 2007

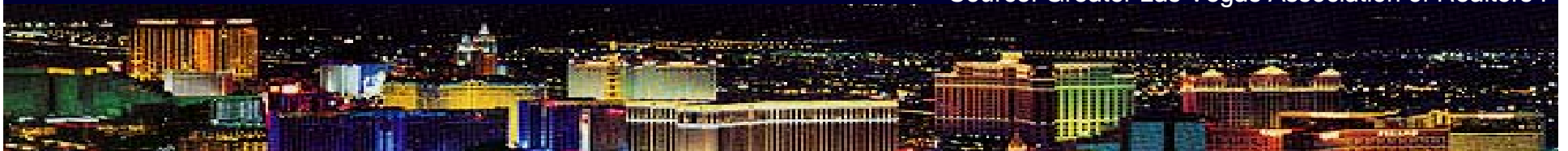
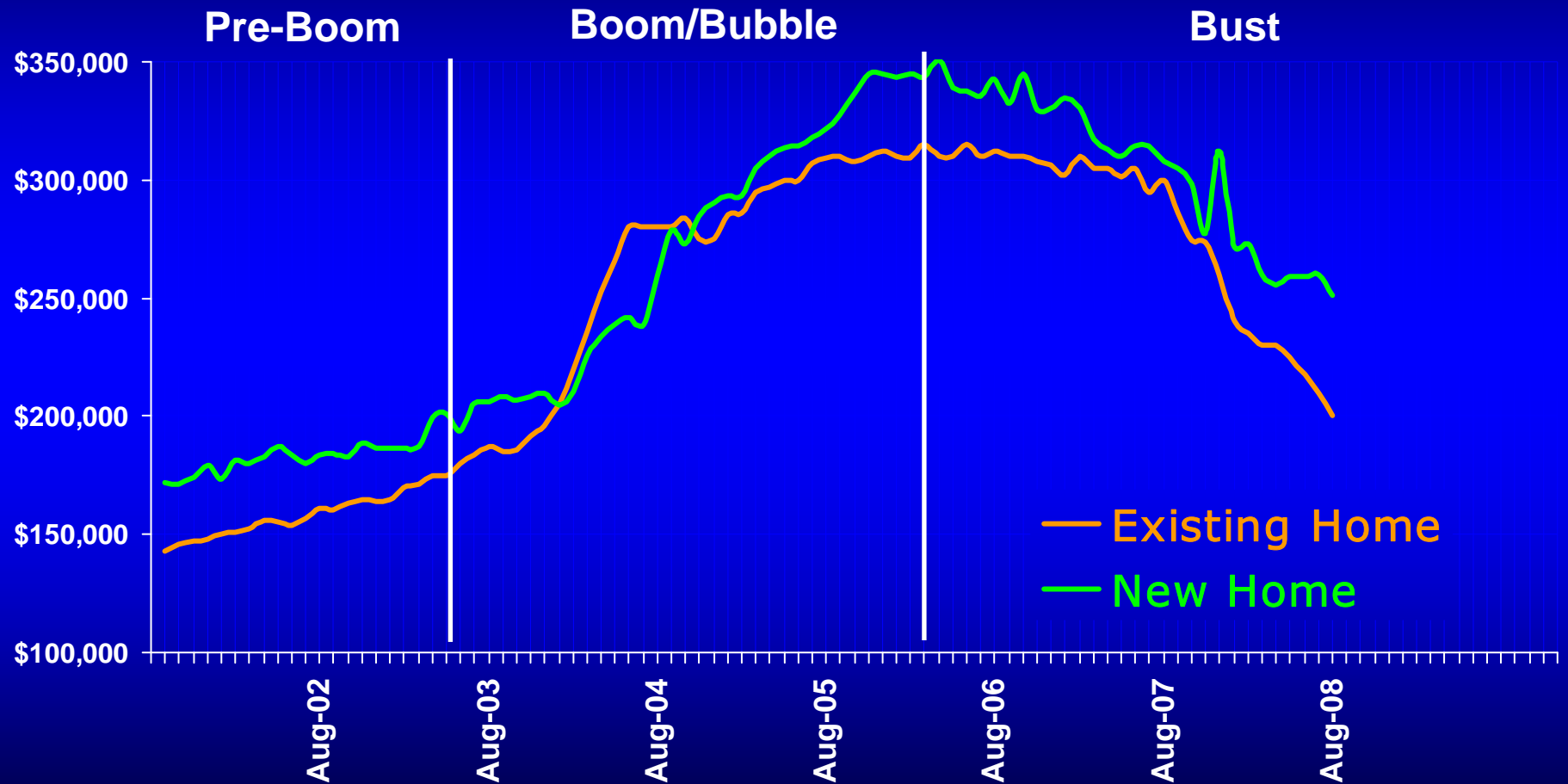
	July 1, 1978	July 1, 1995	July 1, 2004	July 1, 2005	July 1, 2006	July 1, 2007
Active Members	34,824	64,798	90,242	93,995	98,187	103,693
Benefit Recipients	4,957	16,700	28,768	30,999	33,262	35,687
Ratio	7.0	3.9	3.1	3.0	3.0	3.0



THE HOUSING MARKET



Median Price of New & Existing Homes: August 2002 – August 2008

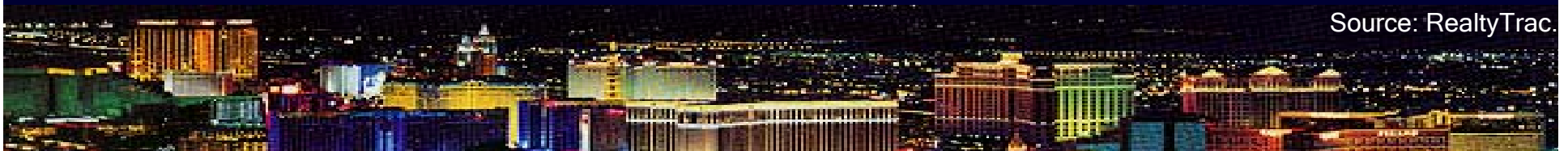


Q2, 2008 Foreclosure Filings

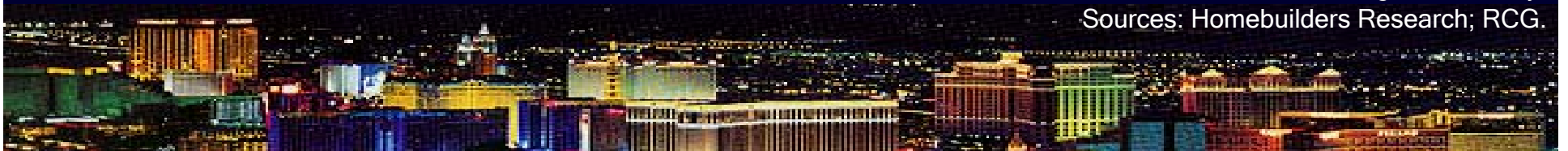
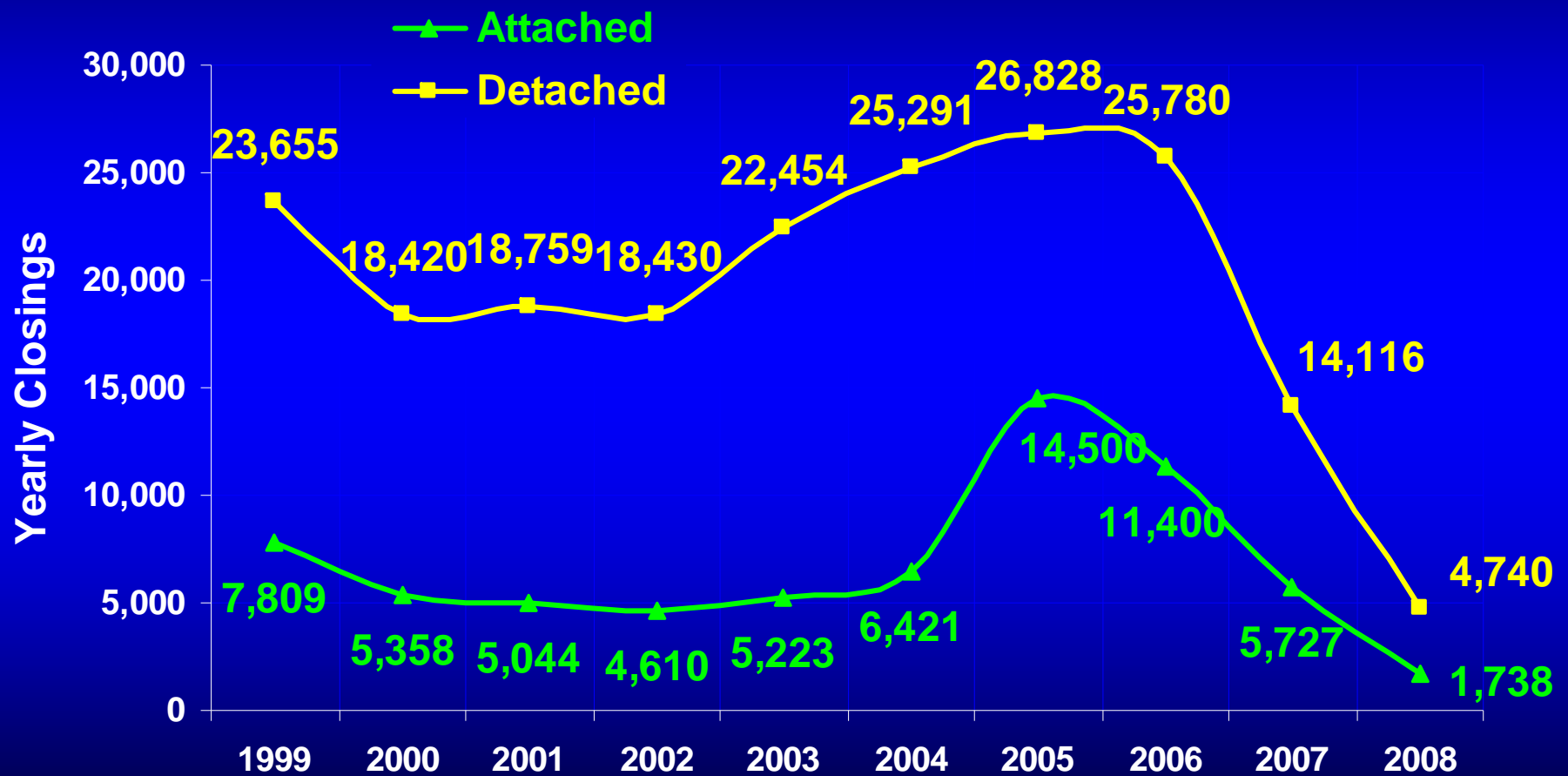
	# Foreclosure Filings	% Change from Q1, 08	% Change from Q2, 07
U.S.	739,714 (1 per 171 HHs)	13.8%	121.4%
Nevada	24,657 (1 per 43 HHs)	25.8%	146.8%
Clark County	21,742 (1 per 35 HHs)	25.5%	143.7%

Note: Includes foreclosure filings in all three phases of foreclosure: 1) Default – Notice of Default and Lis Pendens ; 2) Auction – Notice of Trustee Sale and Notice of Foreclosure Sale; and 3) Real Estate Owned, or REO properties (that have been foreclosed on and repurchased by a bank).

Source: RealtyTrac.

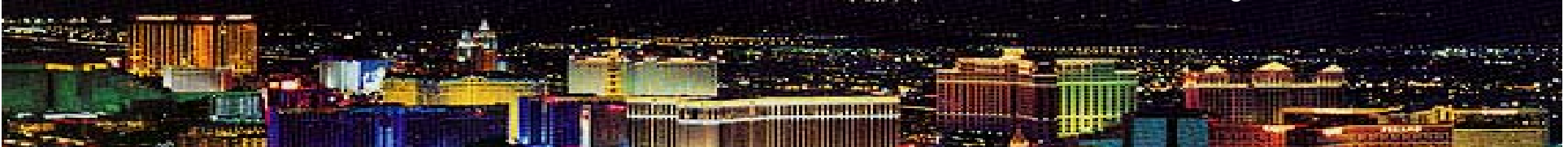
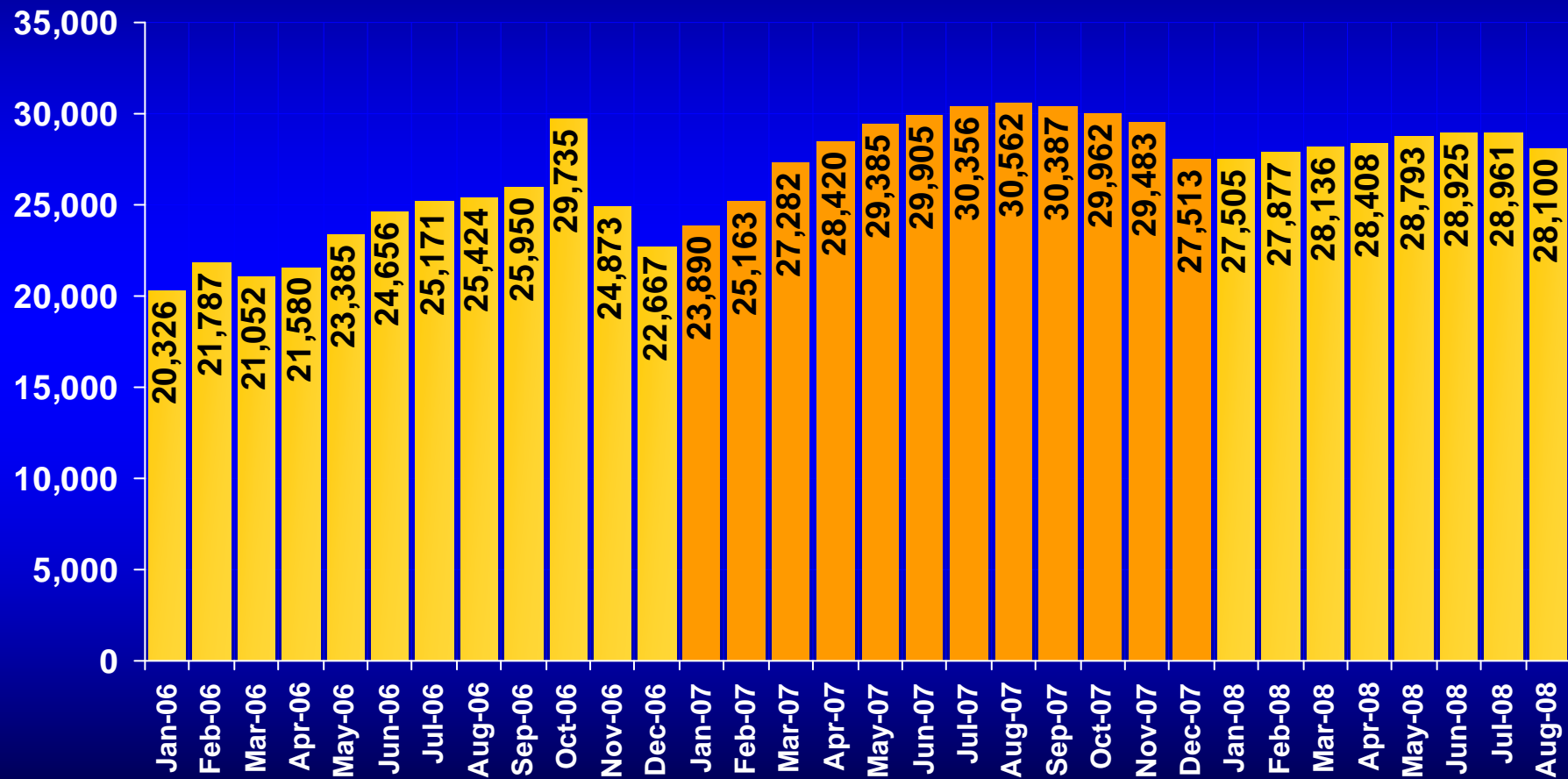


Las Vegas Valley New Home Closings: 1999 – 2008 YTD*

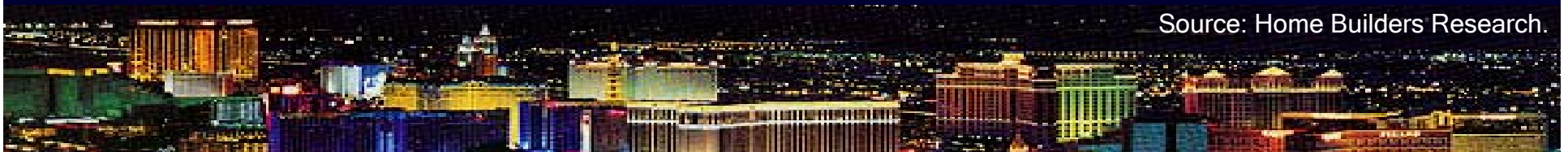
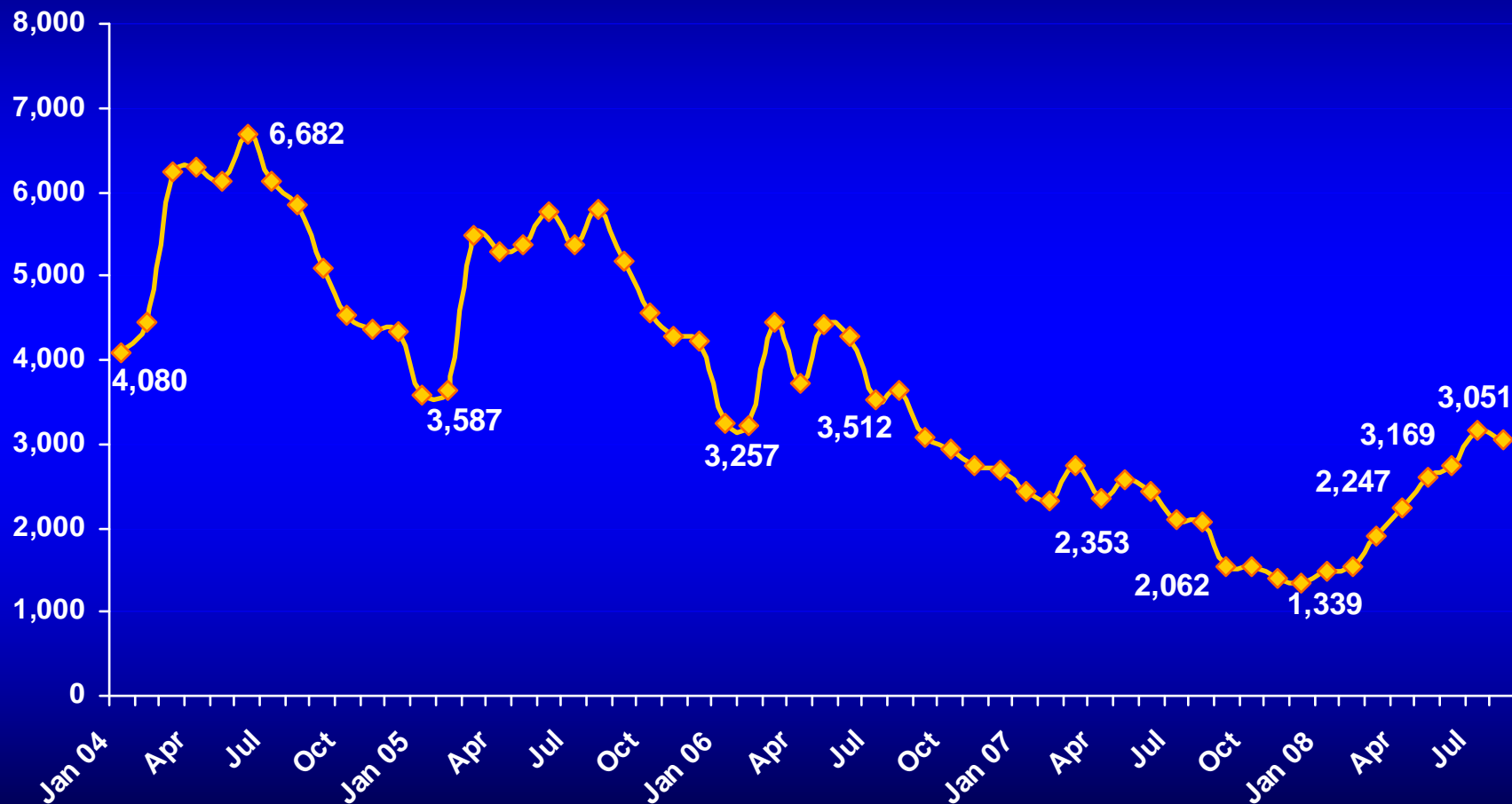


Clark County Monthly Active Residential Listings: Jan. 2006 – Aug. 2008

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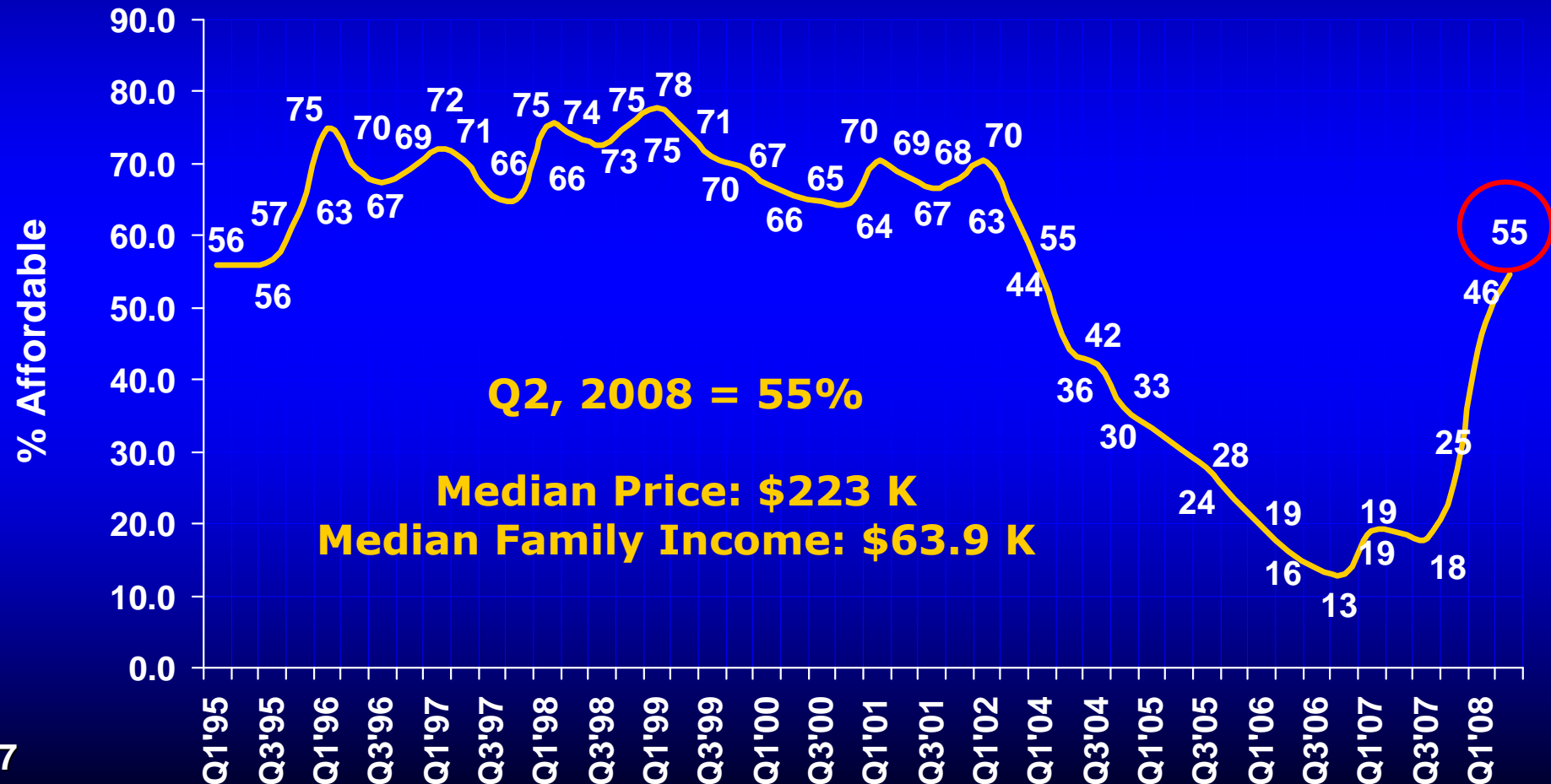


Monthly Resale Closings: 2004-2008

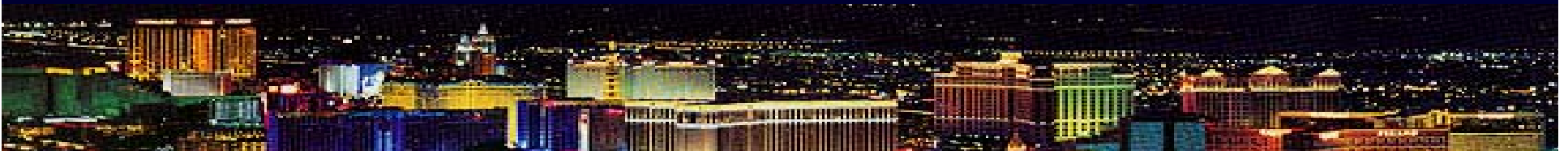


% Houses Affordable to Families Earning Median Income Based on Standard Mortgage Underwriting Criteria: Q1, 1995 – Q2, 2008

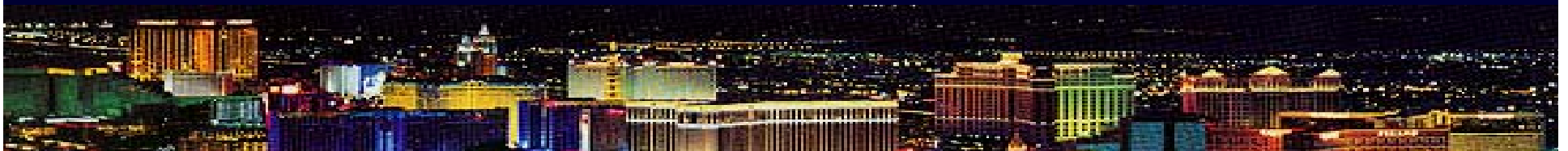
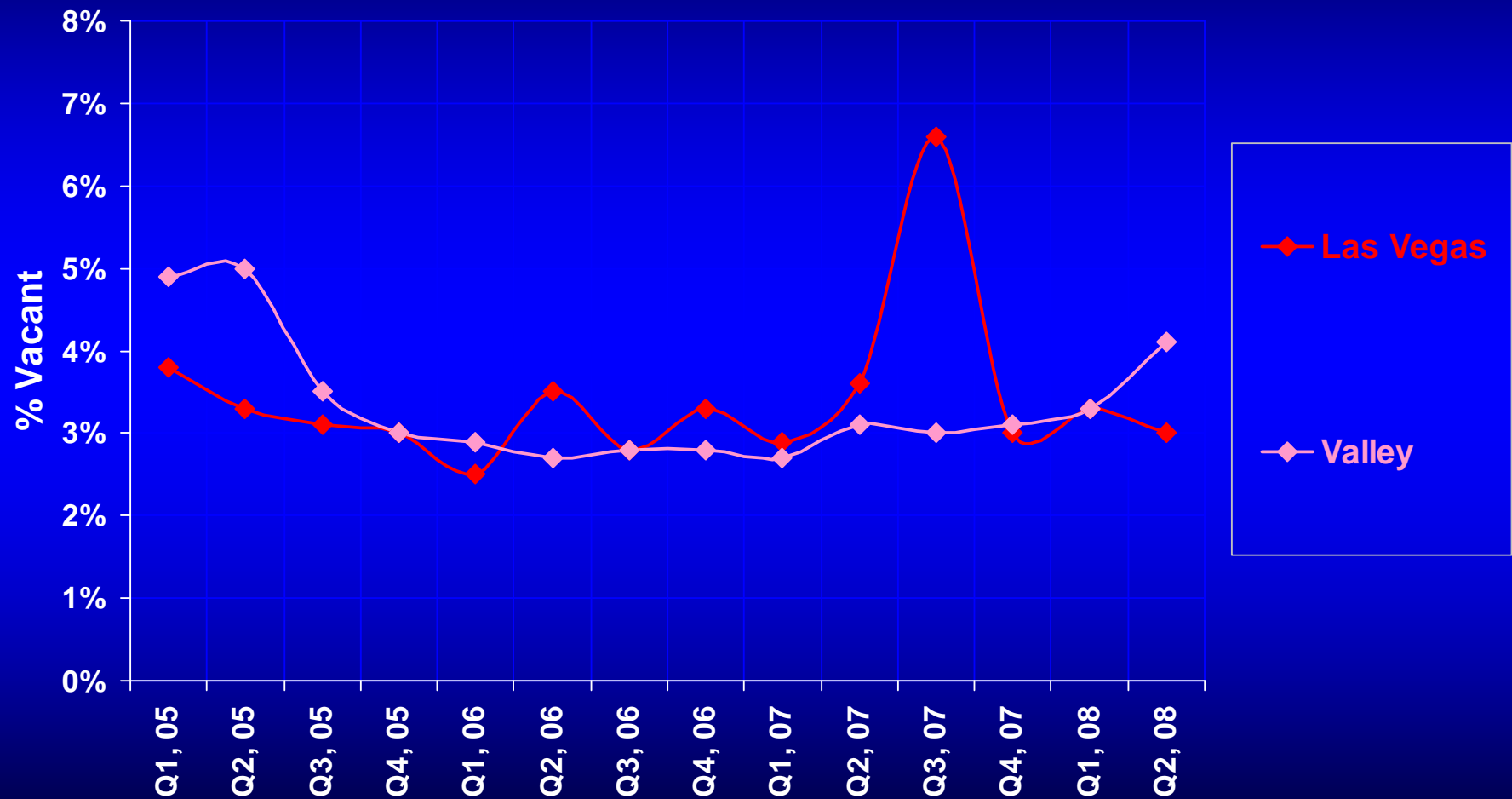
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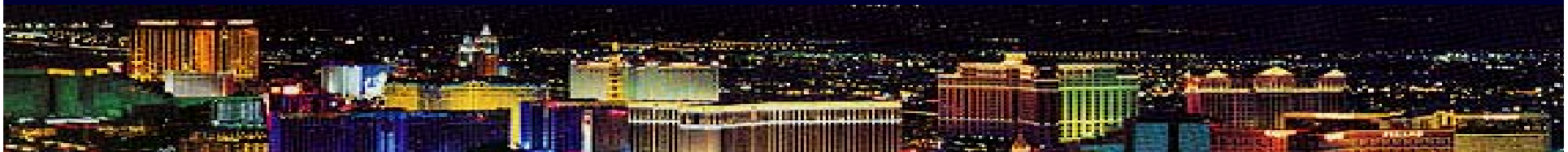
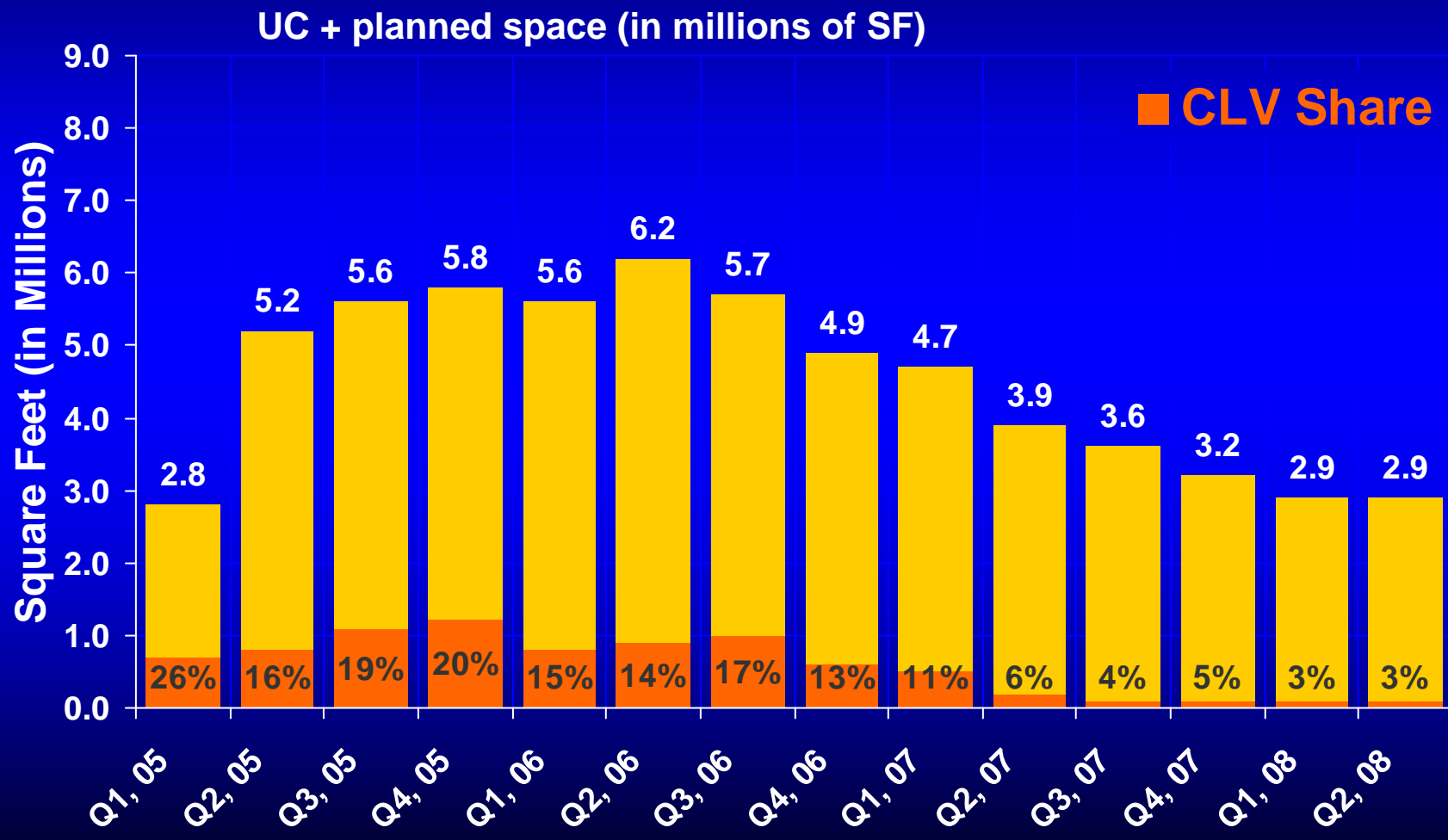
THE COMMERCIAL MARKETS



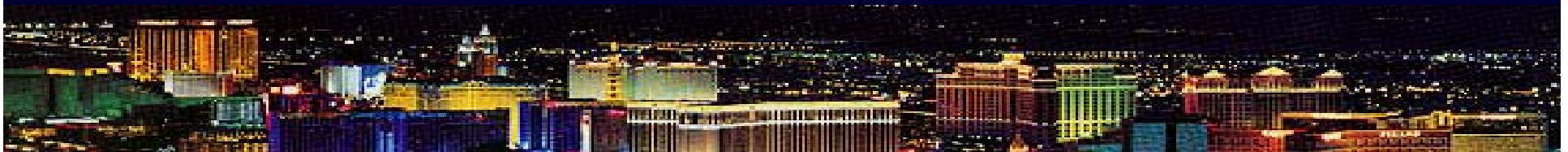
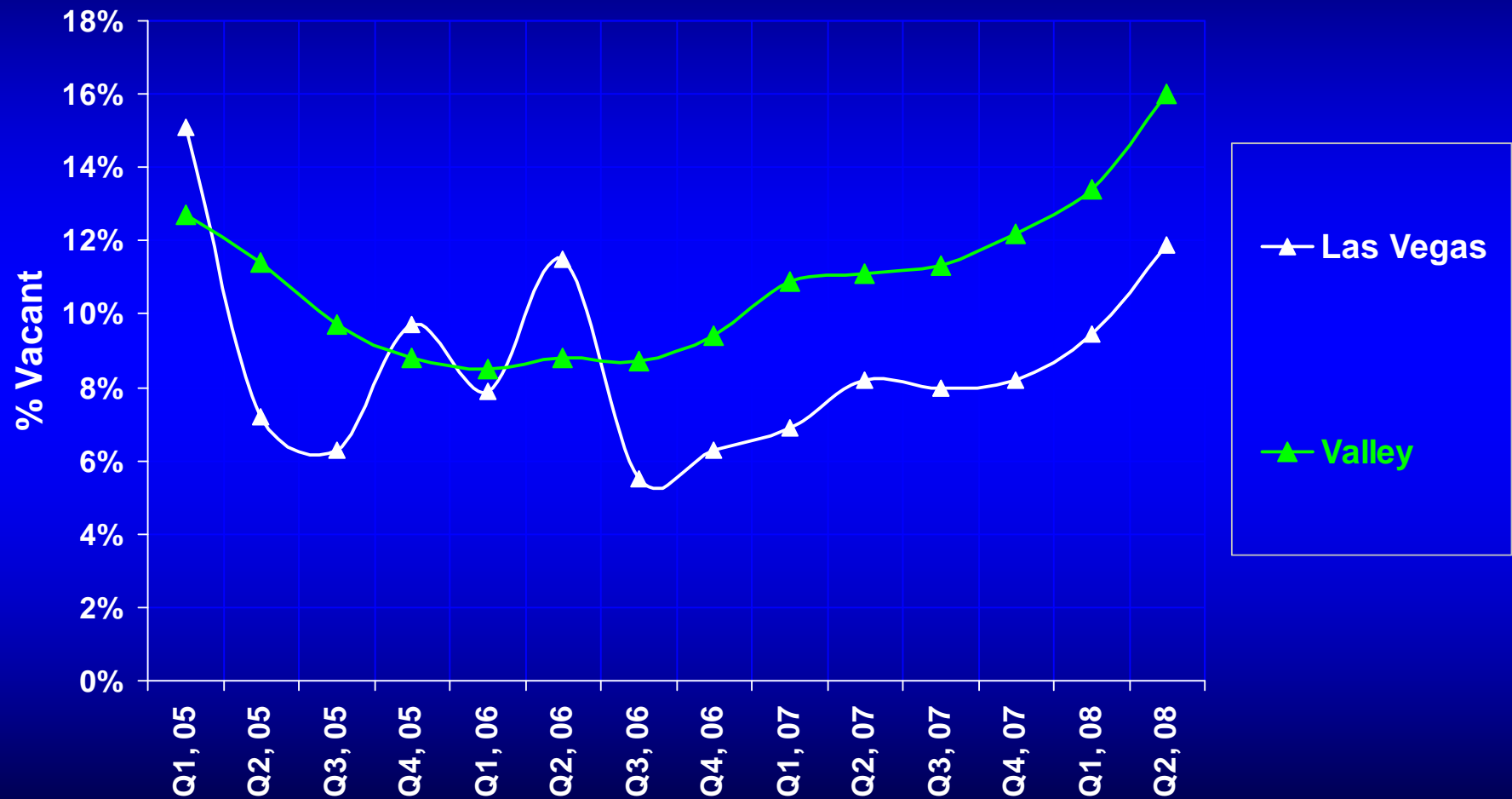
Valley & Las Vegas Retail Vacancy: Q1,05 – Q2,08



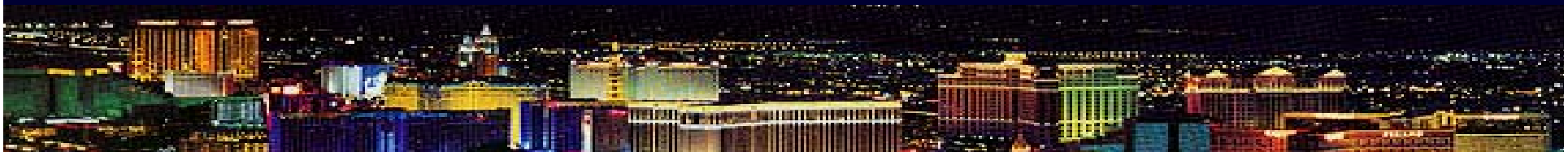
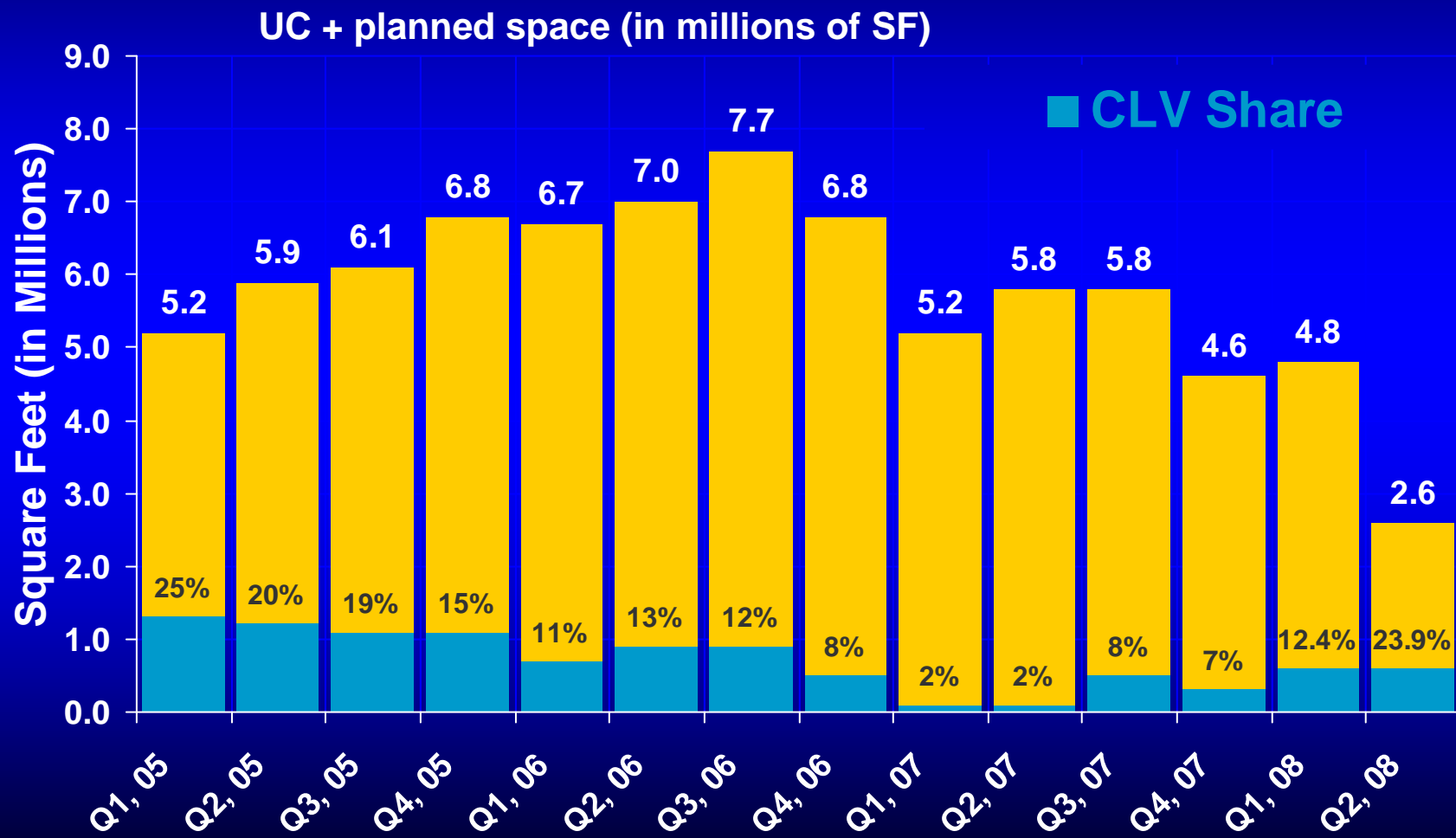
Retail Forward Supply: Las Vegas as a Share of The Valley: Q1, 2005 – Q2, 2008



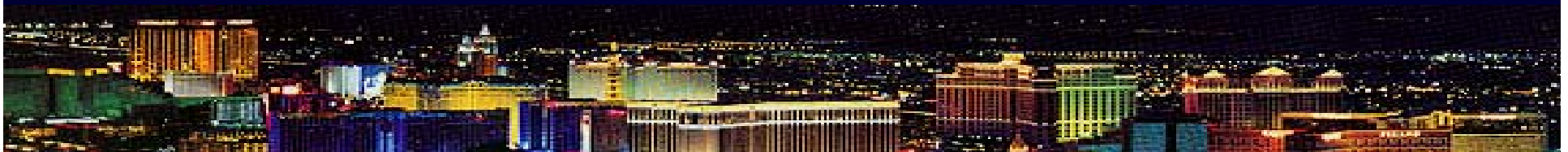
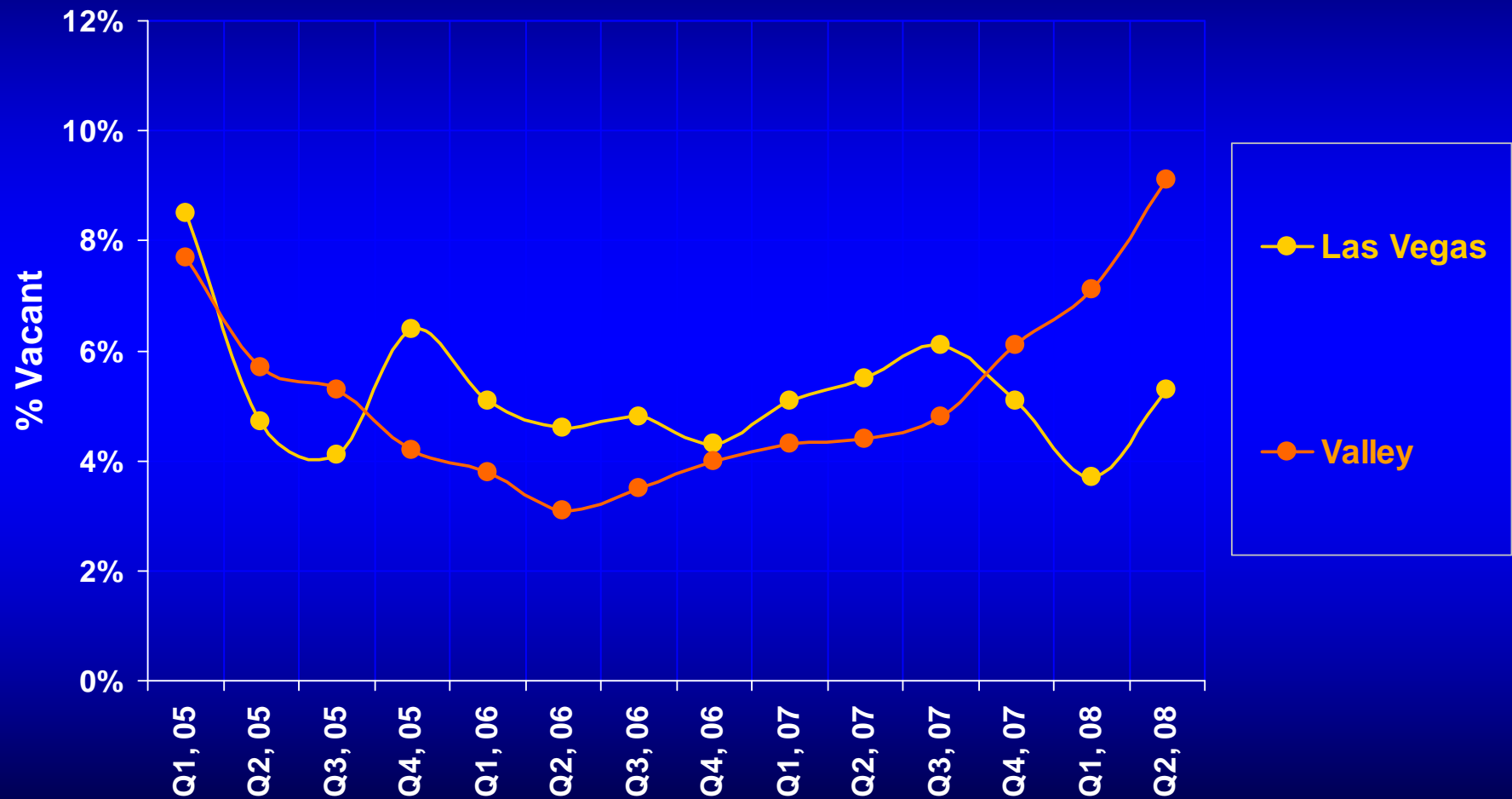
Valley & Las Vegas Office Vacancy: Q1,05 – Q2,08



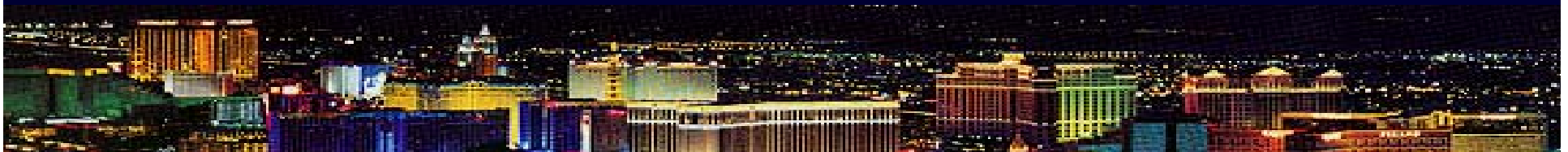
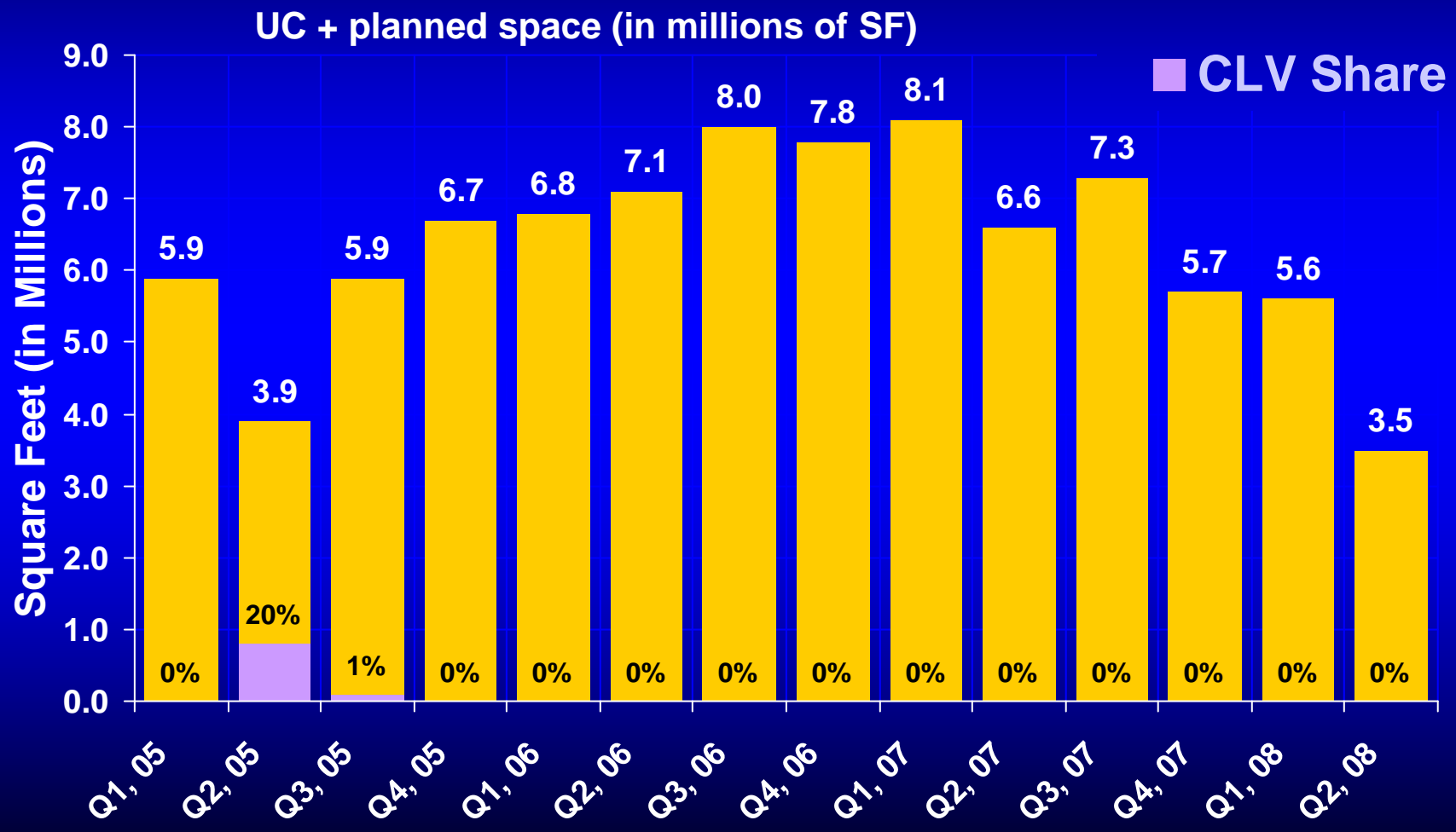
Office Forward Supply: Las Vegas as a Share of The Valley: Q1, 2005 – Q2, 2008



Valley & Las Vegas Industrial Vacancy: Q1,05 – Q2,08

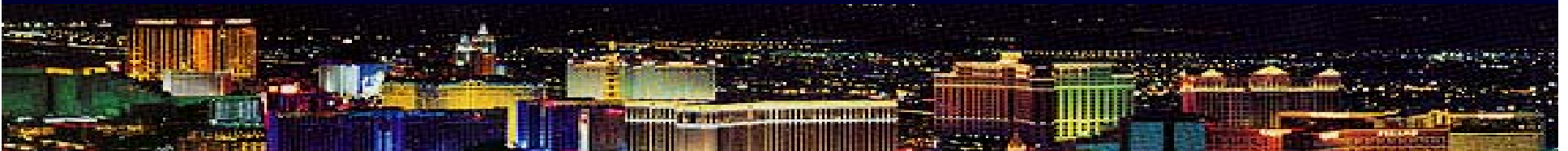


Industrial Forward Supply: Las Vegas as a Share of The Valley: Q1, 2005 – Q2, 2008



What's Ahead?

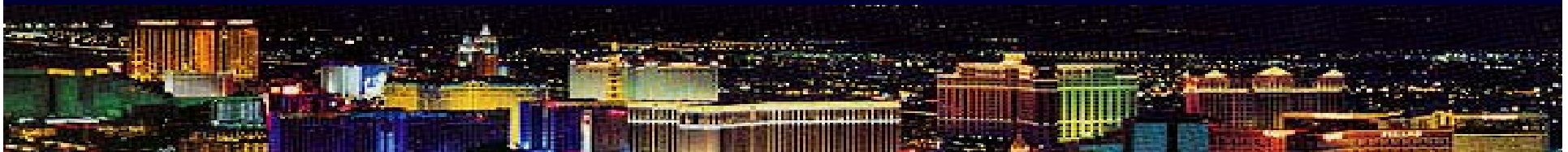
- ✓ **Recession = reduced property tax growth in FY09 & FY10, & possibly FY11**
- ✓ **Consumer confidence/recession will slow C-Tax rebound**
- ✓ **Two years before we see a sustained recovery of economy & real estate markets**
- ✓ **Tougher lending standards will impact residential & commercial markets?**
- ✓ **Weak employment growth – strong demand for rental housing**
- ✓ **It truly is a global economy – every economy is inter-connected for better or worse**
- ✓ **State & local tax revenues are totally dependent on health of the economy**



Where We Stand Today

“Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.”

*-- Sir Winston Churchill,
Speech in November 1942*



For More Information

Contact:

John Restrepo
702-967-3188
jrestrepo@rcg1.com
www.rcg1.com

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GROUP LLC



General Fund Forecast (w/stabilization)

5 yr Forecast - General Fund	Est	Forecast					Ave Growth
	FY08	FY09	FY10	FY11	FY12	FY13	
C-Tax	253.4	252.1	259.7	275.2	294.5	315.1	4.5%
Prop Tax	126.0	133.6	143.0	154.4	168.3	185.1	8.0%
Lic & Fran	83.2	85.1	89.4	92.0	94.8	97.6	3.3%
Other	63.0	66.5	68.5	70.5	72.7	74.8	3.0%
Transfers In From Other Funds			30.0	2.0			0.0%
	525.6	537.3	590.5	594.2	630.3	672.7	5.1%
Labor	284.4	301.9	319.7	343.6	370.1	393.7	6.7%
Non-Labor	232.9	240.2	247.4	254.8	262.5	270.3	3.0%
T/O Debt Serv	8.3	13.3	13.3	8.5	8.5	8.5	0.5%
T/O - CPF	4.3						0.0%
T/O - Other	1.2	2.0	2.0	2.0	2.0	2.0	10.8%
Re-Fund FY08/FY09 Vacancies							
Non CIP Program Expansion							
CPF - Pay as You Go					2.0	2.0	
CPF - Cumulative New Debt Service							
CPF - New O&M			4.7	6.0	1.6	0.7	
	531.1	557.4	587.7	614.9	646.7	677.2	5.0%
Excess (Shortfall)	(5.5)	(20.1)	2.7	(20.6)	(16.5)	(4.5)	
Fund Balance	83.9	63.8	66.6	45.9	29.5	25.0	
Budget Policy FB Percentage	16.0%	11.9%	11.9%	7.8%	4.7%	3.7%	

Submitted at City Council
 Date 10/6/08 Item 4

General Fund Forecast (w/stabilization) and (w/revised labor)

5 yr Forecast - General Fund	Est	Forecast					Ave Growth
	FY08	FY09	FY10	FY11	FY12	FY13	
C-Tax	253.4	252.1	259.7	275.2	294.5	315.1	4.5%
Prop Tax	126.0	133.6	143.0	154.4	168.3	185.1	8.0%
Lic & Fran	83.2	85.1	89.4	92.0	94.8	97.6	3.3%
Other	63.0	66.5	68.5	70.5	72.7	74.8	3.0%
Transfers In From Other Funds			30.0	2.0			0.0%
	525.6	537.3	590.5	594.2	630.3	672.7	5.1%
Labor	284.4	300.0	316.5	333.9	352.3	371.7	5.5%
Non-Labor	232.9	240.2	247.4	254.8	262.5	270.3	3.0%
T/O Debt Serv	8.3	13.3	13.3	8.5	8.5	8.5	0.5%
T/O - CPF	4.3						0.0%
T/O - Other	1.2	2.0	2.0	2.0	2.0	2.0	10.8%
Re-Fund FY08/FY09 Vacancies							
Non CIP Program Expansion							
CPF - Pay as You Go					2.0	2.0	
CPF - Cumulative New Debt Service					1.6	0.7	
CPF - New O&M		0	4.7	6.0			
	531.1	555.5	583.9	605.2	628.9	655.2	5.0%
Excess (Shortfall)	(5.5)	(18.2)	6.6	(11.0)	1.4	17.5	
Fund Balance	83.9	65.7	72.3	61.3	62.7	80.2	
FB as % of Total Expenditures	15.8%	11.8%	12.4%	10.1%	10.0%	12.2%	

Karen Frei

From: [REDACTED]
Sent: Wednesday, October 01, 2008 12:51 PM
To: Karen Frei
Subject: Comments on Fundamental Service Review

I. Fundamental Service Review Report (Main):

1) Why are there no page numbers in each page? It can quite hard to reference a topic. "Pages" mentioned below are the "page" number as viewed in the computer.

2) On "page" 9, the name of John Restrepo, Restrepo Consulting Group, Las Vegas, Nevada was suddenly mentioned. What are their contract period and scope and how much is the contract amount paid by the City of Las Vegas to them? Same questions with William Kirchhoff, Kirchhoff & Associates, Coronado, California. If the contract amounts are big, are the hiring of these people justifiable at these times of financial difficulties? Can the city personnel do the approximate job without the contracted expenses?

3) On "page 9", there is no mention of participation of LVCEA. Why?

4) On "page 11" item 5, how much is the total OBD FY10 marketing budget? Can this be reduced more to add up to the \$ 500,000 savings? On item 9, how much is the Continuing Legal Education (CLE) budget and can these be reduced further to add up to the \$5,000 savings?

5) On page 12 item 14 & 15, how much are their budget and can these be still be reduced to add up to savings?

6) On page 13 item 20, there must be a savings for these like SNWA rebate & water reduction.

7) On page 14 item 23, savings should be \$10,000 minimum (for vehicle & fuel savings) and a portion of the \$ 209,000 can be credited to these savings. Encourage direct deposit of salaries and if the employee still chooses actual paycheck, issue a policy that no city vehicle or time should be allocated solely for this activity.

8) All pages, what is SBP?

9) On page 16 item 30, why is the figure -\$302,500? If this is additional expense and not savings, why include? At item 32, why the zero amount instead of \$79,000 per year (237,000/3)? On item 33, there must be cost savings for paper, etc.

10) At page 17, there must be cost savings for fuel, etc. At item 38, why a -\$32,200? If an add. expense, why implement it?

11) At page 19 item 47, there must cost savings on lesser number of jailbirds. Total savings is \$4,034,765 (all funds). Why only present \$1,664,658? What is the financial picture of the other funds? Say the RDA can they help the general fund? The total savings of \$4,034,765 can be increased to \$ 4,384,465 (minimum) if the above comments are done.

12) On page 24 item 26, all positions for layoff were for low level employees. A superintendent for R/W was newly appointed (temporary?) who was a land surveyor. We can cancel this appointment and put the superintendent of land development concurrent as head of R/W. The

Submitted at City Council

Date 10/6/08 Item #4

10/2/2008

R/W has a current supervisor and lots of seasoned employees to manage their own operations. So approx. EX-1 salary=\$ 130,944 is equivalent to about 2 low level FTE (full time employee) so the 11 can become 9 FTE. With 4 vacancies listed in the proposed layoff list for Eng'g Planning Line of Business plus one vacancy for Eng'g Proj. Manager (Sewer), one Sr. eng'g tech (Flood control or right of way section) & 1 project engr for DEVCO there will only be 2 FTE to be laid off and these 2 can be offered partial city employment (32 hrs a week min. for health insurance) worst case scenario. The savings for intern employees to be laid off should be shown.

13) On page 24 item 28, the city should show if there is any savings on vacant city engr position since May where the paycheck of the current acting CE maybe for asst. CE. Same with the current Acting Asst. CE. One PW deputy director is also vacant since Sept. 1. There are 2 vacancies for Proj. Manager, 1 program manager, 2 Eng'g Associate II can be transferred to SID which has two vacancies, 1 PIO, 1 principal designer so the proposed 9 FTE to be laid off can be only $9-7=2$ FTE which can offered partial city employment (32 hrs a week) worst scenario.

14) On page 25 item 3 & 4, there should be dollar amt.

15) On page 28 Right-Size Plans Check Functions , there is no details on how this will be implemented so how can the city council decide on this and besides the purpose is to preserve jobs at this time but this scheme may reduced jobs. So not at this time. Same holds true for next items 2. This is a technical matter that needs details so how can the city council decide on this. For example, no example was given if there is currently a city that is doing the same things right now. The job preservation should be the first priority while stopping new hirings and implementing cost reductions.

16) Page 33 item 12, what is the effect of ISF to the general fund?

I can not continue to do remarks on the rest of the documents because of other pressing jobs.

On my own, the following are my comments/questions:

1) Was there a study on the office of the Deputy City Managers? With three DCM and these hard times, are there proposals to realign them?

2) Look at the possibility of revising health insurance coverage to offer free HPN HMO (low cost) but with usual employee contributions for families and with the option of acquiring the CDH by other employees but out of pocket for them. This option is only for the crisis years but should be withdrawn when economy is back to good. This idea I will submit today to Ideas For Dollars.

~~3) I will~~

All these remarks and questions are intended for the good of all with the vision of making the City of Las Vegas the best as ever. Both the city management and employee association are doing their best for the common good. I prefer that my name be not mentioned.

Thank you.

Karen Frei

From: [REDACTED]
Sent: Wednesday, October 01, 2008 2:21 PM
To: Karen Frei
Cc: Tommy Ricketts
Subject: Fundamental Service Review

I don't know how much it would help, but I think the union should circulate a petition to the effect that all plans for a new City Hall should be suspended immediately. Although the argument today is that the new City Hall will not "cost anything", yet we are losing personnel due to lay-offs, in another 5 years, there will be another round of lay-offs because all of a sudden, the new City Hall will now have to be funded.

Bottom line: if we don't have money to keep the CLV running as smoothly as it has, then we don't have money for a new City Hall.

3

[REDACTED]

He is your friend, your partner, your defender, your dog. You are his life, his love, his leader. He will be yours, faithful and true, to the last beat of his heart. You owe it to him to be worthy of such devotion."--Unknown

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Version: 8.0.173 / Virus Database: 270.7.5/1701 - Release Date: 10/1/2008 9:05 AM

10/2/2008

Karen Frei

From: [REDACTED]
Sent: Thursday, October 02, 2008 2:06 PM
To: Karen Frei
Subject: Website Feedback

Attachments: minus.jpg; plus.jpg



minus.jpg (685 B) plus.jpg (736 B)

The below article was on MSN. One of many we have all seen. In these times, I hardly find this "Museum" a critical need at the moment. I find building the new City Hall at this time an issue, let alone the Museum. At a time when the City is apparently looking for every nickel and dime, I find the priorities disturbing. This so called priority for the City's share is \$8M, when we are talking about outsourcing peoples jobs. Hard working City employees. People rave about the Private sector and we should be more like the Private sector. Excuse me but I don't think, given the recent news, that the Private sector is doing so hot right now. If we operated the City like the Private sector, a whole bunch of Public employees would be up on charges in a heart beat. What is going to help downtown, is for the Private sector to start investing in their properties and not sucking the money out of them. Not wait for a City handout at the expense of needed services and City employee jobs. \$8M and a few other misguided priorities would go a long way towards any deficit. I am always amused at how the RJ claims we are over paid and have good benefits and underworked. This at a time when in the Private sector everyone is talking about better pay and benefits for workers. Maybe it's the Private sector worker bees who should be brought up rather than drag Public sector employee's down.

Las Vegas Rolling Dice on New Mob Museum

Thursday, October 2, 2008 4:15 PM

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Las Vegas hopes its newest museum will be a hit.

The city is opening The Las Vegas Museum of Organized Crime and Law Enforcement, which will showcase southern Nevada's colorful and storied past in organized crime.

The City Council unveiled the name Tuesday, along with logos resembling court documents with material blacked out. The first redaction obscures the word "mob."

"I don't think anybody is able to do tongue-in-cheek the way Las Vegas can do it," said Mayor Oscar Goodman, a former criminal defense lawyer who represented organized crime figures before representing residents in City Hall.

The museum is expected to open in spring 2010 in downtown Las Vegas at the site of the former federal courthouse where Goodman tried his first case.

As city officials unveiled the plans, council members tossed around T-shirts that said: "There is no such thing as a mob museum nor have I ever been there."

"Does this mean the mayor's going to be cleaning out his garage?" joked Councilwoman Lois Tarkanian.

Goodman joked of his possible contributions to the exhibits: "They've been in my [REDACTED] of the old relics, but so far I've fended them off."

We'll have a lot of Oscar-abilia in there."

Plans for the museum are supported by the FBI, which has pledged to locate organized crime artifacts in Washington and lend them for displays. The former head of the Las Vegas FBI office, Ellen Knowlton, is chairwoman of the museum's board.

Officials say the museum won't glorify organized crime, but instead will give a candid look at its influence on Las Vegas, how law enforcers worked to extract illegal influences from gambling, how mob operations in cities around the country were connected and famous hearings on organized crime.

The city believes the museum could draw as many as 800,000 visitors each year and is part of an attempt to revitalize downtown Las Vegas.

The mob theme was picked after a poll of 300 tourists showed more than 70 percent ranking the idea among its top three concepts. Other options included a behind-the-scenes look at gambling, a museum on magic or a museum dedicated to Las Vegas icons such as Frank Sinatra and Elvis Presley.

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[REDACTED]
[REDACTED]
[REDACTED] or
[REDACTED]

[REDACTED]

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Version: 8.0.173 / Virus Database: 270.7.5/1703 - Release Date: 10/2/2008 7:46 AM

Karen Frei

From: [REDACTED]
Sent: Thursday, October 02, 2008 2:30 PM
To: Karen Frei
Cc: Tommy Ricketts
Subject: RE: FSR Report Now on Website www.lvcea.org

After reading through the 17 reports I am sending to you my humble recommendations prior to October 6. Please pass them along to your organization. I would rather my name be kept private as well.

1) Do not outsource/privatize any services currently filled by CLV employees as this will corrupt our service pool and our values as government employees serving the valley. Less (paying) is not always more (value). [NOTE: Our division has been impacted by outsourcing our custodial needs and we can personally attest to this not being a better alternative. You are welcome to come and see our facility's bathrooms, floors and carpets for proof.]

2) Weed from the top down, not the bottom up. If departments are top heavy (too many appointive employees) weed out the higher paying positions not doing a full days work before going down the ladder to the employees who are actually doing the grunt work to keep the city thriving. [NOTE: I like pg. 11 of Communications Part 2: Proposition C that San Francisco, CA's Charter Amendment adjusting the salaries of the top 7 elected officials. That is top down exactly put.]

3) Consider going to a 4-day work week like other government agencies have done to cut costs first before eliminating jobs. [NOTE: pg. 25 of Communications Part 2, and pg. 6 of Companion Study AWS] My personal opinion on this one is that not only is it beneficial to the city's operating budget and that it makes longer hours for staff thus cutting OT costs, but extended hours for those citizens traveling to City Hall after leaving their work to come downtown, and one of less traffic traveling at one time and improvement to our air quality. Not everyone would be on our freeways at 8am (coming) or 5pm (going) making it congested for travel. This would not only be a plus for employees, but the city in which we live in.

4) Consider buy-outs for topped out employees near retirement. [NOTE: pg 7 of Communications Part 2, Cape Coral, FL] Offer buy-outs to anyone within 5 years of age 62. This would eliminate higher paid employees and give something to those who would leave early. A win/win situation.

[REDACTED]

[REDACTED]

7) Set thermostats throughout city offices at a conventional setting, and lock thermostats so that energy costs can be reduced.

8) Having City Council Meetings held once a month instead of twice a month. Less agenda preparation once a month which involves a lot of staff time. Less utilities usage in chambers.

9) Limit paper waste. It seems to me that we still haven't gone green with paper usage. Too many items are coming to each division via different sources that could be eliminated. Not only is that a waste of paper product and toner, but time consuming in creating, photocopying, sorting and distributing it as well.

[REDACTED]

11) Recoup fines; whether it be Parking Enforcement in D&E or Code Enforcement in Neighborhood Services. Parking Enforcement can receive fines from cars parked on the street for too long, or in front of red curbs, or at meters when time has run out. Or

in the case of Code Enforcement, by imposing a homeowner/business owner a fine for private property issues such as unkempt yards, garbage on property, etc. Both divisions can collect fines, but don't seem to enforce them. This is revenue sitting and waiting.

12) New revenue; fine businesses for unsanitary grease traps. Perhaps we could have the Environmental Division in Public Works inspect/follow up on complaints Streets gives them for smelly and unclean grease traps.

13) Put off building a City Hall during this crisis. Purchasing and building a new City Hall seems double standard to a lot of employees at this time. [It brings up lots of questions such as; why is a new building more important than keeping employees staffed?, what is going to be done with the old CH when it is vacant if a buyer isn't found right away?, larger building will have larger operating costs and this just doesn't make sense during this crunch, etc.]

I would like it duly noted that I wholeheartedly veto the idea of a wage freeze as a solution to the crisis at hand. I don't feel this is a viable solution. If an imposed reduction (percentage) in our pay is decided upon, I believe it should be according to pay/grade level instead of a flat amount. I find this is the most fair practice considering no one will be exempt.

From: Ashley [mailto:ashley@lvcea.org]
Sent: Thursday, September 25, 2008 4:41 PM
To: LVCEA Members
Cc: tricketts@lvcea.org; 'Don King'; bsnyder@lvcea.org; City Employees Association; Val Sharp; Lori Giessinger; Lon Grasmick
Subject: FSR Report Now on Website www.lvcea.org

To All Our LVCEA Members:

From: Tommy Ricketts, President

As promised, the Fundamental Service Review report is now available on our website. You may access the report by going to the web site at www.lvcea.org <<http://www.lvcea.org>> . Once there, follow these instructions to get to the report:

Go to bottom of the first page and click on

Fundamental Services Review 09-25-2008

The most important parts of the report may be found in,

Main FSR Report

Sections 1.3, 1.4, and 1.5.

Potential layoffs are mentioned in Section 1.3.

We would encourage you to read the parts of the report that might pertain to your job. We would also encourage you to forward a response to karen@lvcea.org with recommendations or alternatives to what has been said. We shall compile them into a report to give to the City

10/2/2008

Karen Frei

From: [REDACTED]
Sent: Wednesday, October 01, 2008 2:16 PM
To: Karen Frei
Subject: suggestion

With LS why do we need an assistant director? This is an appointive position that is newly created (approximately 3 years or so). If we were to cut this position we could save, just our department \$150K or so (plus benefits). Has this been discussed. That position could save 2 or 3 lower more needed positions. Just a thought.

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10/2/2008

Karen Frei

From: Ashley Nicholson [ashley@lvcea.org]
Sent: Wednesday, October 01, 2008 3:48 PM
To: Karen Frei
Subject: FW: FSR Report Now on Website www.lvcea.org

From: [REDACTED]
Sent: Wednesday, October 01, 2008 3:47 PM
To: Ashley Nicholson
Subject: RE: FSR Report Now on Website www.lvcea.org

Hello Ashley

At our Fundamental meeting with Billy Bastian last Thursday she had mentioned for us to concentrate on volunteers. They want to use Volunteer coordinators to oversee hourlies. This concerns me because I am a coordinator.

Please do not use my name.

Thank you

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

From: Ashley [mailto:ashley@lvcea.org]
Sent: Thursday, September 25, 2008 4:41 PM
To: LVCEA Members
Cc: tricketts@lvcea.org; 'Don King'; bsnyder@lvcea.org; City Employees Association; Val Sharp; Lori Giessinger; Lon Grasmick
Subject: FSR Report Now on Website www.lvcea.org

To All Our LVCEA Members:

From: Tommy Ricketts, President

As promised, the Fundamental Service Review report is now available on our website. You may access the report by going to the web site at www.lvcea.org. Once there, follow these instructions to get to the report:

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Fundamental Services Review 09-25-2008

The most important parts of the report may be found in,
Main FSR Report
Sections 1.3, 1.4, and 1.5.
Potential layoffs are mentioned in Section 1.3.

We would encourage you to read the parts of the report that might pertain to your job. We would also encourage you to forward a response to karen@lvcea.org with recommendations or alternatives to what has been proposed. We shall compile them into a report to give to the City Council on October 6th. Should you desire to respond, please include your name, your job title, your work location, and contact information. Any information you provide may be used by the LVCEA to support its efforts. However, your name will not be released to anyone without your consent.

I would also encourage you to put in a leave slip in order to attend and speak at the City Council meeting on October 6th at 9:00 a.m., which will be held at the Charleston Heights Arts Center, 800 S. Brush Street.

In closing, please be assured we are doing whatever we can. But I must emphasize that in order for us to do so, now is the time that we also need your help.
Please can you also spread the word to your co-workers who may not have a city email address.
Again, please send in your comments and plan to attend the October 6th 2008 meeting.

Sincerely,

Tommy Ricketts, President

Las Vegas City Employees' Association

Ashley Nicholson
Member Relations Administrator
Las Vegas City Employees' Association
857 N. Eastern Avenue
Las Vegas, NV 89101
(702) 649-3460

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10/2/2008

Karen Frei

From: Don King [dking@LasVegasNevada.GOV]
Sent: Tuesday, September 30, 2008 5:42 AM
To: Karen Frei
Subject: FW: Fundamental Review - My Comments

From: [REDACTED]
Sent: [REDACTED] 08:21:30 PM
To: [REDACTED]
Subject: [REDACTED]

Tommy:

The following are my suggestions after sitting in meetings and reading the Fundamental Review Report.

1. Instituting 4-10's across the board. It has saved money for the City of Henderson and for Clark County
2. Eliminate CIP projects that are funded by the General Fund. (Of course these are Council pet projects)
 Examples from Leisure Services. I am sure there are others out there not covered by CDBG Funds:
 Cover Pavilion Center Pool at a cost of 6 Million.
 Field of Dreams at Freedom Park with an outside vendor for 50 Million.
3. Now I am not sure if this is true or not but I have always been told that the Executive Appointed receive a car allowance per month. Has this been reviewed and is it really necessary? This needs to be cut.
4. Another one I am not totally sure of is the allotment each appointed receives to use on staff for appreciation, awards, staff moral etc. If this is true then I have never seen my manager use it. This needs to be cut.
5. Consolidate work units. Why is there a Arts and Cultural Events unit as well as the Office of Cultural Affairs? They could be combined and eliminate at least one Manager and reorganize clerical and other staff within the two groups.
6. Eliminate Extreme Sports. It reaches such a small segment of the population. Besides the Coordinator (Joseph Whickert) receives about \$10,000 a year in OT and works with the County on their events. This position needs to be looked at very closely perhaps by the city auditors and fraud unit.
7. Corporate Challenge should have to cost recover 100% now, not within the next five years. There is a lot of the same staff receiving OT/TILO for that event year after year. It has been around long enough for they to jump to the 100% now not later. They know where the fat is.

8. The [REDACTED] sure

10. All travel should be suspended.

Thank you for all your hard work and support,

[REDACTED]

9/30/2008

Ideas for the Fundamental Review for Leisure Services

1. Put a hold on CIP projects except for those that deal with safety/building issues
2. Stop the Field of Dreams project and allow the Leisure Services Department Sport Division to run the leagues. The City is spending a lot of money on a project that they will not recoup the monies from revenues for many years.
3. Look at reducing appointive staff perks – car allowance and monthly staff monies; use of city vehicles that are more energy efficient will not only help the environment, but reduce costs associated with the car allowance. The monies allowed to appointive staff to use monthly for staff doesn't seem to reach the staff so why not take it away or reduce it.
4. Look at staff working a 4/10 schedule or another alternate work schedule. Pros are that supervision of facilities will be higher, administrative/supervisory staff will also be at work during more of the hours of facility operation. It does impact meetings, but with gas prices as they are we may need to look at doing some online or conference call meetings to reduce travel for some meetings. The 4/10 can be set up so that some work Monday – Thursday, Tuesday – Friday, and Wednesday – Saturday.
5. Look at the Extreme Sports Unit – demands for OT are high and the unit needs to be on a work schedule that will accommodate the hours needed. If this is not possible then unit may need to be absorbed within other units to accommodate staffing issues or eliminated.
6. Eliminate a Field Supervisor position in the Recreation Division and upgrade the remaining Field Supervisors to Supervisor bringing that division in line with all the other divisions. This will allow for ease of movement among the divisions and help the department with their performance plus goals.
7. Look at Corporate Challenge – it needs to be 100% cost recovery or eliminated.

Recommendation #24 - Eliminate a Statistical Analyst II in Planning and Development

Impacts: (addressed individually)

1) Functions of this position has changed with the advent of the internet;

- The Statistical Analyst II supplies and updates the demographic data that is disseminated within the Planning and Development section within the City of Las Vegas website. The CLV Facts/Statistics Sheet, the Annual Population Estimate and Housing Unit Counts, Demographics by Council Ward to name a few. In addition, The Statistical Analyst II provides all data pertaining to demographics and population contained in the annual OBD publication "The City of Las Vegas Community Profile." The Statistical Analyst II also provides data for the publications "Growth Watch" (for which he has won an APEX Award) and "The City of Las Vegas Development Report" and writes, provides data and analysis for the publication "and another thing . . .", which won the **2006 DeBoer Excellence in Planning Award** for outstanding public outreach and journalism by the Nevada chapter of the American Planning Association.

2) a consultant is used by OBD for specialized;

- The Statistical Analyst II supplies the consultant, Restrepo Consulting Group, with Business License data and Construction Completions data from throughout Clark County and Building Permit data from the City's Redevelopment Area that goes into the publication "Urban Renaissance." Would it not make more sense from a fiscal standpoint to eliminate the consultant and have the data delivered directly from the Statistical Analyst II? If anything this would indicate that the Statistical Analyst II is underutilized by other departments within the City and perhaps management should make a greater effort to "sell" or "promote" the services of the Statistical Analyst II to the other departments. Utilizing the Statistical Analyst II more frequently rather than hiring consultants may save the City even greater money.

3) city of Henderson utilizes a Planner position who functions as a demographer;

- The Sr. Planner-Demographer position in Henderson **is not a Planner**. The person holding the position has no formal education in planning and holds no certifications of any kind in planning. His background is in Economics and Statistics. His prior professional experience is as a Statistical Analyst I for the City of Las Vegas. Following is the job description for the Sr. Planner-Demographer position from the posting open December 19, 2006 through January 23, 2007:

Under general supervision, performs and acts as lead worker for population forecasting and estimation activities; demographic analyses; and performs related duties as assigned

Henderson, a city of 265,000 has a full time Demographer whose top salary exceeds that of the city of Las Vegas Statistical Analyst II by nearly 19%.


4) other staff members in P&D could easily absorb the work with no reduction in quality or output.

- No mention is made in the study of the fact that the Statistical Analyst II conducts the City of Las Vegas Annual Population Estimate which is a major component in the formula that determines the amount of funding the city of Las Vegas receives from the State each year and is mandated by Nevada Revised Statutes (NRS 360.283). Neither is it mentioned that the Statistical Analyst II was the Lead Contact for Clark County during Census 2000. It is expected the Statistical Analyst II will assume the same position for the 2010 Census. Results from Census 2000 showed Nevada, fueled by Clark County, had the greatest increase in response rate in the nation and tied for the greatest reduction in undercount in the nation from the previous Census in 1990. It is estimated that Clark county and the entities within lost over \$220 million as a result of the undercount of 1990. An undercount of similar proportions in 2010 would result in revenue losses of approximately \$600 million for Clark County during the 10 year span - 2010 to 2020. For Census 2000 the City added a Statistical Analyst position to cover the workload which was estimated to be greater than two (2) FTE for Census related tasks.
- During the past couple of months, Planners in Comprehensive Planning have sought "work" from me, asking if I had anything for them to do. In some cases I have been able to give them tasks that keep them busy in the short-term.

Miscellaneous

- The agenda for the October 6th, 2008 Special Council meeting includes **John Restrepo, Restrepo Consulting Group (RCG), Las Vegas, Nevada**. I would like to know why/how a man whose company – RCG – which has several lucrative contracts with the city of Las Vegas, can make recommendations concerning financial affairs and staffing related to the City – a client of his? One of the contracts RCG has with the city of Las Vegas Office of Business Development is the collection of Business License, Construction Completion and Building Permit data for the city of Las Vegas, the city of Henderson, the city of North Las Vegas and Clark County that is compiled and supplied by the Statistical Analyst II, sent to RCG and subsequently sold to the Office of Business Development. Seems there may be a conflict of interest given his past and current consulting relationship with the city of Las Vegas and as someone who may further benefit from reductions in city staff.
- I think it would be interesting to know how many contracts Restrepo Consulting Group (RCG) and Applied Analysis currently have or have had in the past with the City and the dollar value of those contracts. Again, it seems that consultants would benefit greatly from a *reduction in force* among the ranks of City employees as it would require more work to be "Outsourced."
- FY 10 Cost Savings - The report also overstates the FY 10 Cost Savings. The Statistical Analyst I position (Grade 43) has been vacant since March 2007 when the person holding that position left to take the Sr. Planner – Demographer position for the city of Henderson. Since that time it has been "Underfilled" by a Planner II (Grade 44) who has not conducted any of the duties related to the Statistical Analyst II or Statistical Analyst I positions.

- I was never asked to supply a listing of my duties to anyone. Judging from the comments contained in the Fundamental Review it is clear that the consultants were not aware of the tasks the Statistical Analyst II is required to perform or their complexity.



I am writing in response to the FSR. I am a Graphic Artist II and have been employed with the city just short of three years. Although I am concerned about retaining my job, my main concern is I don't believe the FSR thoroughly investigated the Graphic Artist category.

The FSR states there are 12 graphic artists, when in fact there are only 9. There are some graphic art positions that are in the bindery or clerical and should not be included in the "pooling" of our positions.

If the graphic artists are pooled together, I believe the services to the community and the departments will be impacted because the graphic artists who hold the most seniority are not as knowledgeable on the specific software used in our industry. There are some "graphic artists" who hold that title, but in fact are architectural designers. When they were brought on board, there was no other classification to put them under.

I believe the graphic artist positions were not thoroughly analyzed to actually see who is qualified to be grouped together per the FSR report and to follow the new Sustainable guidelines that are to be followed.

Since I have been with the city, I have been awarded Employee of the Month by the city in June of 2008. According to my department, the submission for Employee of the Month states with my extensive skills, I have saved the department money and time without having to outsource jobs. I remain very busy at a constant pace in my position.

I have created logos, not just for our department, but logos for the Sustainability Initiative and the Diversity Initiative, which the city also use, not just our department.

I find it very hard to believe that my salary of only \$52,000 will help save the city money by eliminating my position, when in fact we have several planners in our department who are not even effected and they have not been mentioned at all in the FSR; first round or second round. I witness everyday these planners looking for something to do. Although I wish no one to lose his or her job, I believe it only fair to have every entity fairly evaluated.

I find the FSR to be very political and very unfair to say the least.

Karen Frei

From: [REDACTED]
Sent: Friday, September 26, 2008 8:10 AM
To: Karen Frei
Subject: Fundamental Service Review comment

In regards to the section "Right-size and Centralize Graphic Arts Functions" I am unclear how consolidating the GA functions in one centralized management system would ultimately save the city money. I know I personally do not have management that solely manages me, I fall under the umbrella of management with several other employees on the org chart. So there is not monetary impact of a specialized manager for myself. Also with the materials that are used in my job functions the cost is spread among 4 divisions and other departments which means there is no impact on one single entity. Though my salary does come directly from one division.

One of the Implementation Implications is that there could be a *change in business for departments who utilize a department-specific graphic artist. (Newsletters, brochures, and presentations etc. will have to be created by department staff or sent to a central repository for graphic arts services).* I have spent years trying to make the City of Las Vegas and Neighborhood Services "look good" in light of whatever the event. I feel that if Graphic Artists for specific departments are reassigned to someone else and the department is possibly forced to create their on collateral we take three steps back in the "package presentation". Also what happens when individuals start creating their own collateral and distributing it without going through the process of checking and approving that we GA's have in place.

I know that sometimes time constraints do not work well with the current GA system timeframe or workload and the ability to work on the "fly" with either council members, management team or even community residents in an area is nothing short of a bonus for everyone involved. Not to mention the knowledge each GA has of their individual department and it's functions.

My last thought is if "we" are centralized and a project comes from our "original" department wouldn't it make sense if that person was assigned to work on it. Which it turns means you are actually working for the department you left after all?

Ultimately if it comes to centralization or unemployment I think we all know which way we would head.

[REDACTED]

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9/30/2008

Karen Frei

From: Ashley Nicholson [ashley@lvcea.org]
Sent: Friday, October 03, 2008 11:00 AM
To: Karen Frei
Subject: FW: FSR review comments
Attachments: DOC100308.pdf

FYI

From: [REDACTED]
Sent: Friday, October 03, 2008 10:59 AM
To: Ashley Nicholson
Subject: FSR review comments

<<DOC100308.pdf>> The hard copy, together with the referenced attachments will be delivered to the lvcea offices at noon, today.

Michael Vlaovich
Dept of Public Works
Architectural Proj Mgr
229-1045 (fax)464-5701

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Version: 8.0.173 / Virus Database: 270.7.5/1704 - Release Date: 10/3/2008 8:18 AM

10/3/2008

October 3, 2008

To: LVCEA

CC: [REDACTED]

RE: Fundamental Service Review Comments Related to City Manager Recommendations for Council to Consider, Item 16

As requested of LVCEA members, this letter is written to address concerns specific to section(s) of the Fundamental Services Report (FSR) that pertain to our work unit, the Office of Architectural Services. This communication consolidates the review comments of all classified employees of our work unit. It is our desire that this document be forwarded to Dr. Barbara Jackson, in her capacity as the FSR Project Manager, and that the information contained in this communication be incorporated in the LVCEA's efforts to work with the City in making appropriate determinations.

Item 16 of the *City Manager Recommendations for Council to Consider* is stated as follows:

16. Outsource Architectural Services

Summary

The city's in-house staff of 11 FTEs in the Office of Architectural Services does not do in-house design but instead project management of work contracted out to consulting architects. In-house staff does some minor schematic layouts of concepts such as parks, but all design work is contracted out. The current value of contracted work that Architectural Services oversees is \$436 million. Additional analysis is necessary to determine outsourcing opportunities in light of the work provided by this unit.

The above portion of the FSR prompts these comments and corrections:

- The Office of Architectural Services currently employs nine classified staff and one appointive staff and has one vacant position. It should be noted that the Office of Architectural Services has already seen a reduction in its staff over the past six years, a result of attrition, with positions left vacant and subsequently eliminated. In addition to its manager, staff currently consists of four project managers, four designers and one illustrator. Despite its comparatively small staff, the work of the Office of Architectural Services has resulted in numerous awards for the City on local, regional and international levels. Recent projects managed by our work group that have brought acclaim to the City include parks, fire stations, historic preservation and adaptive re-use projects, and community centers.
- The statement that this work unit "does not do in-house design" is a significant mistake or misunderstanding presented in the FSR. Attached to this communication are documents titled *OAS In-House Design Services* and *Tenant Improvement Projects*. Together, these two documents list over 270 projects performed in house by OAS staff over the past ten years, and further demonstrates the consistent degree of in-house design over a representative period of time. This list does not include the many (too many to track) advisories, advance reports, technical documentation and other forms of assistance provided to virtually every department within the City that considers proceeding with a development. It is true, that due to the staffing levels, we must manage many outside consultants for the City's development projects, as well. Given the grossly inaccurate statement in the FSR, we ask that an explanation be provided as to how such an important report has distorted the role the Office of Architectural Services performs for the City.
- Similarly, the statement "In-house staff does some minor schematic layouts of concepts such as parks, but all design work is contracted out" is equally inaccurate. The statement demonstrates naivety of the role performed by this work unit. In addition to the significant number of projects performed 100% in-house, the Office of Architectural Services role in the projects designed by outside consultants transcends the minor schematic layout comment. Project management for vertical projects consists of hundreds of tasks from the pre-programming stage of a project through the warranty period, and beyond. Schematic layouts of concepts are the method of graphically placing a project proponent's thoughts into a discernable document for further development. While this important step should not be reduced in its

- significance, it represents approximately 3% to 5% of this work unit's function (reference to the 2004 APQC Report).
- The final sentence of the statement is accepted by this work unit. We understand the difficult position management finds itself in and accepts that it needs to analyze all options. In the best interest of the City, we would expect that such analysis be based on fact and not be short sighted. We believe an accurate analysis of the value the Office of Architectural Services provides will demonstrate:
 - outsourcing will prove to be more expensive and has not worked in the past for the City, based on its experiences of outsourcing project management and construction management services, such as the Griffin management of the trails projects and the RAFI management of the Post Modern project, and as further evidenced by experiences of other jurisdictions/entities such as Clark County, the Clark County School District and Nevada Power Company;
 - due to the efficiencies that the OAS work unit has developed in response to its previous staff reductions while, at the same time, experiencing increases in its workload in terms of number and scope of projects, increased regulatory and municipal code impacts, expanding City design standards criteria and zealous internal controls and procedures, we are best suited to effectively serve the City, including during down cycles, when the challenges are typically made more complicated by project phasing and other creative tools to address economic fluctuations; as pointed out in Item #2 of the *FSR Efficiency Recommendations that Do Not Eliminate FTEs*, internal staff is best used during downtrend times, and consultants are used to supplement staff during uptrend's;
 - the City will lose institutional knowledge of its own wealth of properties and will sacrifice its level of control and oversight of consultants overseeing other consultants on the many design decisions that must be sought and relayed for vertical construction projects, decisions that cannot be left to outside consultants that have no "ownership" nor incentive to look out for other's interests over their own (such lack of control 35 years ago on the development of the existing City Hall was the catalyst for the creation of an in-house architectural entity, due to frustrations encountered by the Mayor, City Council and management);
 - increasing staff to take on more projects internally would actually save money, vs the cost of outside design contracts and the cost to manage those contracts (many projects are currently performed in-house to save money);
 - outsourcing will not allow the City to own its prototype building designs, a concept that has saved the City substantial project funds over the years;
 - in house staff has readily responded to the special circumstance projects, such as the Family Promise remodel performed in-house, that required extraordinary service by a dedicated staff in order to keep a valuable community service in operation and to fulfill a promise by our elected officials;

Finally, we are concerned about the accuracy of the comparison statistics on page 3 of the Executive Summary to the FSR (Average Annual Wages-2007). Despite the footnote, the City of Las Vegas' disproportionately high wages as indicated is suspect. It is difficult to fathom that there would be such a difference, and we would expect the separate, yet to be completed wage study, will disprove the statistic, as presented.

On behalf of the Office of Architectural Services' classified staff, we appreciate the opportunity to participate in the review of the FSR and hope that our observations will help add clarity to enable appropriate decisions to be made. We are:

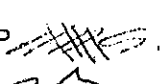

Clair Lewis, ASLA, RIA, CLARB Certified


Samuel Tolman, AIA, NCARB Certified


Patrick Bates, AIA


Michael Vladovich, AIA, ICC Certified


John Easton, ASAI


Marlene Siska, AIA, LEED AP


Bruce Breed, RD


Erik Singman, Associate AIA


Mark Potokar, LEED AP

Karen Frei

From: [REDACTED]

Sent: Friday, September 26, 2008 9:40 AM

To: Karen Frei

Subject: FSR - Implication FY10 - Consideration to Outsource Architectural Services Section

Per the FSR, in future implications it is a possible recommendation to outsource our section. See paragraph 16. It is our contention that the information is inaccurate, and in fact we provide a significant amount of services beyond what is mentioned in the review.

We'll be in contact with the LVCEA early next week to discuss the process for our response.

Sincerely,

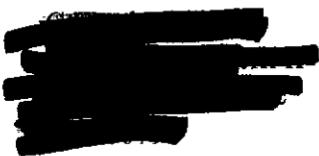
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9/30/2008



Concerns with Fundamental Review:

Recommendation that do not eliminate FTEs:

16. I am opposed the use of contract security guards. They are not familiar with the City and cannot provide the level of customer service expected by citizens and employees.

Recommendations that Eliminate FTES:

2. I am concerned about the recommendation to create a Minutes Clerk position. There is not enough information provided to allow me to form an opinion. I am concerned that this Minutes Clerk will have the same responsibilities as a Deputy Clerk, but will make less money and have fewer benefits. I also do not know how this will impact my job duties and responsibilities.

Karen Frei

From: [REDACTED]
Sent: Friday, September 26, 2008 10:31 AM
To: Karen Frei
Subject: Ashley letter

Hello as a current member I wanted to voice some of my thoughts and opinions. After reading Ashley's email, As time is short I will just place them in bullet style writing here.

[REDACTED]

Ok my thought are the people that know best how to save money are the ones doing the job than up the chain for their perspectives and insight. So I would think each Forman or lead of each section should sit his crew down with paper and pen and for 15 mins brain storm ideas to save money in their realm of work and all others consolidate the ideas and pass them up the line and possibly the city might come up with 100 more ideas that could save money and poss. save a job.

So some ideas sure you have heard of all these but trying here.

all people upgraded in the past 5 years in position / title and done so because of the booming economy work load, bump them back to prior grades and or positions justifications to upgrade, promote, change title or create a new position because the city was so busy now doesn't wash. bump them back to former positions grades and salary's.

combine the graffiti sections to 1 department { streets and rapid both paint graffiti and who else ?}

eliminate rapid response and send the people and equipment to field ops the Forman run the graffiti section under code enforcement

[REDACTED]

The downtown beautification program are maintenance workers needed their or can the work be done by inmates and court ordered people under the supervision of the crew leaders their.

Thank you. MICHAEL COYNE

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Karen Frei

From: Ashley Nicholson [ashley@lvcea.org]
Sent: Saturday, September 27, 2008 3:35 PM
To: Tommy Ricketts; Don King; Karen Frei; Bruce Snyder
Subject: FW: You were selected to participate in a Fundamental Service Review - Focus Panel
Importance: High

From: [REDACTED]
Sent: Friday, September 26, 2008 4:35 PM
To: Ashley Nicholson
Subject: FW: You were selected to participate in a Fundamental Service Review - Focus Panel
Importance: High

Ashley, this is the email address Tommy sent his message regarding the FSR from so I'm sending my comments to you to forward to him.
Thank you!

Dear Tommy:

I don't know if you were sent the email below so I thought I would forward it to you. It does seem like there was somewhat of an effort to include rank and file employees, however, it also seems as though it was done more so as an afterthought because if I understand correctly, the information collected so far has not made it's way to the powers that be. It's supposedly being compiled to be presented sometime in the near future but not sure if it will be before the October 6th session. This probably means none of it was considered before the preliminary report was done.

I did see the part of the report addressing AWS schedules. I've been told 4/10 hour work weeks will absolutely NOT be considered and I would like to know why they wouldn't be. Many other cities and entire states have done this with great results and feel everything should be thoroughly and seriously considered.

I would like to think that the effort is being considered by everyone, including those that make a substantial salary. The impact of \$10,000 taken from someone making \$100,000+ a year is not felt as much as taking it from someone making \$40,000 per year, something you already know. Also, if people at the top were willing to make concessions and show a good faith effort, maybe they would get more willing participants at the bottom to follow suit.

Thank you for allowing me to comment.

9/30/2008

I'm not sure if you both received the same questions to consider in preparation for the panel discussion, but I'd like to support you in gathering all P&C staff together to brainstorm ideas for you to discuss in your focus panels.

Niki, please schedule a meeting with all P&C staff to seek their input and provide the panel questions to everyone so they can come prepared for the meeting.

From: [REDACTED]
 To: [REDACTED]
 Subject: [REDACTED]

Kelly / Niki / Tony / Judy –

Each of you has been randomly selected to participate in focus panels to obtain employee ideas regarding the Fundamental Service Review, how to save money and ways to improve customer service. These panels are at the request of Doug Selby, and the Office of Development & Training (ODT) is facilitating the focus panels of random employees. The ODT will be contacting you with an invitation to participate in the focus panels. Included in the invitation will be the questions and the agenda. You are encouraged to consult with your peers prior to attending as a way of representing their ideas. Meanwhile, the below table can be used for your calendar scheduling purposes.

Know that the panel list was generated by assigning numbers to our current list of employees and then using a random number generator to select the employees on this list. This list is a stratified sample in that ODT kept the ratio of the number of employees in each department the same as in the sample. There are four focus panels and each participant is invited to a specific panel. I have been asked not to replace employees on this list as that will negate the desired random selection.

Although participation on these panels is voluntary, I strongly urge you to do so. We are facing some difficult financial times ahead, and more than ever we need to input from all levels of our workforce (part of what diversity is all about). We must be certain to hear and consider input from all levels of the City as we enter into a new financial era. Note that if your panel appointment is not during your normally scheduled work shift you will not be paid to attend; departments are not expected to incur additional payroll expense in the form of overtime or additional staffing as a result of allowing employees to attend. I am asking that your supervisors/managers accommodate your participation if scheduled during your normal work hours.

If you have any questions regarding the focus panels, please call Jack Eslinger at ext. 2090.

Thank you so much for your help.

-- Mark

**CITY OF LAS VEGAS
 FUNDAMENTAL SERVICE REVIEW
 FOCUS PANEL LIST**

Last Name	First Name	Department	Division	Date of Focus Panel	Time	Location
Sheppard	Kelley	FB	Accounting Operations	9/18/2008	9:00 a.m. - 11:00 a.m.	HR Training Room 4
Gomoluh	Niki	FB	Purchasing & Contracts	9/22/2008	1:30 p.m. - 3:30 p.m.	HR Training Room 4
Green	Tony	FB	Purchasing & Contracts	9/24/2008	1:00 p.m. - 3:00 p.m.	HR Training Room 4
Roos	Judy	FB	Financial Services - Parking Collections	9/26/2008	9:00 a.m. - 11:00 a.m.	HR Training Room 1

No virus found in this incoming message.
 Checked by AVG - <http://www.avg.com>
 Version: 8.0.169 / Virus Database: 270.7.0/1684 - Release Date: 9/26/2008 7:35 AM

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 Checked by AVG - <http://www.avg.com>
 Version: 8.0.169 / Virus Database: 270.7.3/1691 - Release Date: 9/27/2008 1:11 PM

9/30/2008

Karen Frei

From: [REDACTED]
Sent: Thursday, October 02, 2008 5:38 AM
To: [REDACTED]
Subject: Fundamental Service Review Comments
Attachments: For City Council Consideration on the FSR.pdf

Please find attached my comments for consideration and hopeful usefulness in regards to the Fundamental Service Review.

[REDACTED]
[REDACTED]

Stay up to date on your PC, the Web, and your mobile phone with Windows Live. [See Now](#)
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Version: 8.0.173 / Virus Database: 270.7.5/1701 - Release Date: 10/1/2008 9:05 AM

10/2/2008

For City Council Consideration on the Fundamental Service Review

[REDACTED]

I started my employment with the City of Las Vegas 23.5 years ago in the **General Services Department** as part of the maintenance division.

Later in my career the department was renamed to **Building Services**. However, our function of maintaining the City of Las Vegas properties did not change. As the years went on, additional job responsibilities were taken on by the division and assigned according to skill levels and appropriate supervision.

The division was again renamed to the current title of **Facilities Management**. We were placed under a new department called **Field Operations**. The job responsibilities grew at a very fast rate with the excellent skilled tradesmen that were hired over the years. Our divisions' maintenance responsibilities increased to include small projects. The concept of doing small projects by city maintenance crews were met with great enthusiasm by city management and council members.

The request for projects increased enormously over the next few years, every city department including the city manager, the mayor's and city council persons all sung the divisions praises. They enjoyed their new offices and benefits that were brought forth in cost savings to the citizens and internal departments.

The ease in which architectural services could design a project and facilities management could make it happen astounded the requesting departments with the workmanship and the cost savings over contracting the projects out.

The divisions' motto has always been "On Time And Under Budget". The ironic thing is that our job titles, job descriptions, or divisions' maintenance mandate has never changed in all of these years.

The council and mayor have been asked to consider the recommendation of item # 5 of the FSR report of efficiency recommendation that eliminates FTE's. This item refers to a City Facilities Remodeling Program. I feel there is some clarification that needs to be brought up so that an informed decision can be made by council. The breakdown for Facilities Management is Real Estate, Custodial, and Maintenance. You will find no employee with remodeling in their job title.

With the elimination of 16 FTE's from the maintenance function, this could possibly have an impact on projects and maintenance. It is up to the council and mayor to decide where they have the most desire to save money for the city and the citizens.

Some of the most recent projects that have saved money for the city over contractors' bids were as follows;

Restrooms at Centennial Hills pool area
Councilman's Ross satellite office at Centennial Hills
Concrete pads at Buffalo House / Municipal Sports office
Fire and Rescue remodel at the Atrium building
City Café at City Hall

These are projects that contractors were asking exorbitant amounts of money to complete. Hundreds of thousands of dollars were saved to the city. All of this was accomplished by trades people assigned to do maintenance work in Facilities Management.

None of these employees held different titles or were paid more or less than anyone else in Facilities Management. They were just doing the skilled jobs they were hired to do many years ago.

I don't feel that it is fair to examine a group of individuals with a higher level of skills and willingness to excel above standard maintenance work to be isolated and eliminated. I would think that the Council and Mayor would want just the opposite to happen.

As stated by the City Manager, I feel the council and mayor would want a staff that could maintain the critical services as directed. Perhaps the directors should relook at the entire maintenance staff according to their skill levels to maintain the critical services during these crucial years.

The consideration should also be given to future projects that facilities would be able to participate in and generate thousands of dollars of savings to the city. Projects that would yield potential cost savings are;

Assisting the contractor on the newly acquired Atrium building, which already has a limited budget dictated by the City Manager

Restructuring of occupied areas in the Atrium that would be vacated in the following years by lease expirations

Assist the city in continuing efforts to build a more sustainable community.

I am sure that the council and mayor know of more projects that are up and coming even with the budgetary constraints. I think all of these points are important considerations before making long term staff reductions.



CHARLESTON NEIGHBORHOOD PRESERVATION

"Doing things today that will improve tomorrow"

Phone/Fax: 702-877-2438

October 3, 2008

To: Mayor,
Each Councilperson, and
Those Who selected the recommendations and
Those Who designed the presentations
Re: October 6, 2008 9:00 AM CLV Special City Council Meeting

Charleston Neighborhood Preservation *recommends an extension in the service of "properly noticed and posted" CLV meetings to: ALL LIBRARIES, not only Las Vegas Library, WITHIN THE CITY BOUNDARIES.* This is our second time to recommend this extension of this service and respectfully request that it be seriously considered AND acted upon because limited notice limits vision.

Charleston Neighborhood Preservation *recommends that the architecture plans* for CITY HALL and its PARKING GARAGE be open for public comment prior to implementation because we must not be subjected to frivolous boondoggles which were built into the current edifice and for which we are still paying.

(We were surprised to note the location of a city hall parking garage on the October 1, 2008 CLV Council Agenda at Bonneville which means the next, on topic, agenda item may be a loooooong skybridge?)

We, the people, note that this meeting agenda contains a Single "POSSIBLE ACTION" item, #4, which is a service (to taxpayers and non-taxpayer residents) review. As representatives, will you in truth take "ACTION" prior to item #5 which is "PUBLIC COMMENT"? Might this be blatant arrogation on the part of our councilpersons?

Respectfully,

June Ingram and Board

Submitted at City Council

Date 10/6/08 Item # 4

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